The Canadian Newspaper For Investors

The Financial Times

MONTREAL CANADA TORONTO

At All-Out War Canada Makes Plans For Peace

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SHIPMENTS OF NEWSPRINT IN AUGUST HIGHER

Show Increase Over July and August 1943 Figures at 274,706 Tons

STOCKS REDUCED

Shipments of newsprint from Canadian mills during month of August were at highest levels since July of last year and, at 274,706 tons, showed an increase of 24,727 tons over figure for July of this year and 13,914 tons over August 1943 figure. Production for the month amounted to 262,695 tons as compared with 249,979 tons in July and 259,612 tons in August of last year. Shipments exceeded production by over 12,000 tons; hence manufacturers stocks in Canada was reduced accordingly.

Increase in shipments during August over same month last year brought aggregate shipments from Canadian mills for first 7 months of the current year to just short of figure for corresponding period of 1943 at 1,994,493 tons as compared with 2,001,434 tons. Total production for 7-month period was higher this year at 1,987,540 tons as against 1,965,605 tons last year. August figures, it will be seen, brought total shipments for first 7 months to slightly in excess of total production for period.

Shipments to the United States market and to overseas both showed increases in August over previous month and corresponding month of last year. Shipments to the U.S. amounted to 226,094 tons during August which compared with 208,259 tons in July and 222,500 tons in August 1943. Overseas shipments amounted to 33,-

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At The Lookout

INDUSTRY READY TO FACE PROGRAM OF RECONVERSION

Business and Public Leaders Are Dealing With Various Phases of Situation

CONTROLS MODIFIED

But Only Where War Effort Is Not Interrupted — Manufacturers Seek Tax Relief to Increase Available Capital.

THE prospect of the early conclusion of the campaign in Europe is made more definite by the news of continued successes on the Eastern and Western fronts by the optimism pervading the Conference of British and American leaders at Quebec, and even by talk of a Federal election as early as November—or at least before the year is out. At the same time there are further indications of modification of controls over industrial materials. And this issue of The Financial Times, which reviews the splendid record of Canadian industry at war, also gives the views of leaders in business and public life in regard to the necessary steps to meet the problems of reconversion and readjustment in a manner which will maintain production, employment and trade, thus sustaining the national income and ensuring so far as possible a healthy measure of prosperity and economic stability.

Modification of Controls Reassuring to Industry

While it is true that modification of control has not thus far been extensive, and while Chairman Gordon of the Prices Board warns that the conclusion should not be reached that all the wartime restrictions can suddenly be realized, the fact remains that certain conditions have already been modified and in this course industry finds a considerable measure of assurance as regards the future. However, as Mr. Gordon points out, the basic causes of inflation are still present, and so long as they continue it is in the interests of both producers and consumers that controls should be continued. Experience after the first world war indicated that the dangers of inflation did not pass with victory but continued until normal peacetime conditions had been reestablished. Even where restrictions are being lifted on materials, such materials will only be available after essential demands have been taken care of and prices will still be under control. What is being done apparently is looking to the future when the war effort can be relaxed rather than any letting down of war production in the meantime. The dominating purpose will be to permit industry to get into the production of civilian goods just as soon as possible following the cancellation of munitions contracts which would follow the collapse of Germany.

Manufacturers Are Pushing Post-War Plans

That Canadian manufacturers individually and collectively are making their plans to maintain post-war production and employ-

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Veterans Seeking High-Grade Land

Saskatchewan Legion Group Contend That Success Only Possible With Substantial Investment.

BY TEMPUS

Eston, Sask. — Returned soldiers of World War I are anxious to look after the interests of the veterans of World War II, and to this end they are going to go after the government to see if they cannot get some help for the boys who want to settle on the high-priced land in these parts.

Talking to members of the Eston Branch of the Canadian Legion, it was learned that some plans are already afoot. In a word, they want the law changed so that veterans of the present war will get a chance to acquire the high-priced land, and will not have to take the inferior land which is now the only kind of prospective farm property within reach of the returned fighting man, as the present laws now stand.

Charles Henderson, M.P. for Kindersley, has been fortunate enough to prevail upon Hon. Ian MacKenzie, Minister of Pensions and Health, to come here, and at a meeting to be held in Eston, the picture is to be presented to Mr. MacKenzie, the Minister destined to look after returned men's interests if the Liberals are returned to power.

* * *

As things now stand, a soldier can get help up to $6,000 in the purchase of land and machinery. But the good land in the Eston area, and throughout Kindersley, runs up to $50 per acre. This means that a veteran, about to take up land, is faced with a debt of $16,000 if he is going to purchase half a section of land, or 320 acres. The point to be made is that in these parts, with power farming, there is no use trying to fool round with any quarter section, which is only 160 acres. When farming with power—that is, without horses — it is no use starting in to till 160 acres. The yield will not be enough when everything is mechanized, and gasoline propelled. One might well argue that in these times, farmers could revert to horses, and it would be both practical and patriotic. But unfortunately for Eston, this district is extremely dry. Water is and always was, scarce. Even today drinking water retails in Eston at five cents a pail. It is this town's bad luck, that growing as it does, and looking like one of the most prosperous towns in the whole constituency of Kindersley, it is still cursed with outside plumbing. The town wants water, but can't seem to find it, no matter how deep it digs. It therefore follows, that out in the country, water is scarce. Therefore, horses are hard to maintain, where every spoonful of water has to be hauled so far. Finally with one third to one half of the farm always in summerfallow, a farmer needs all of his 320 acres to keep up to 160 acres in cultivation.

Now then, power farming has been the thing around here, and in this prosperous, but very dry area, power farming is going to prevail. The veterans of the first war hate to see their boys coming back from the second war, and have to take the cull land, the farms no one else wants. This is because the

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CANADA PACKERS TO SPLIT SHARES SIX FOR 1 BASIS

Propose Issuing 2 New Class 'A' Preferred and 4 Class 'B' for Each Share

NEW RECORDS MADE

Sales up 22 p.c. at $212 Million and Net Earnings Are Higher at $8.43 a Share on Capital Stock.

Canada Packers Ltd., reports for fiscal year ended March 30th, 1944 value of sales widely ahead of previous year's record peak and net earnings, after all charges and write-offs moderately higher at the equivalent of $8.43 a share on outstanding capital stock of company as compared with $8.05 a share reported for year ended March 25th, 1943.

A feature of the report is an announcement by directors which accompanies it of a proposed change in the capital structure of the company which will provide for issuance of 6 new shares of stock for each share now held. Existing no par value capital stock will be changed into Class "A" cumulative, participating preferred stock and Class "B" ordinary stock, and 2 shares of Class "A" and 4 shares of Class "B" will be issued in exchange for each share of capital stock now outstanding.

Balance sheet, in annual report, reveals a further improvement in already impressive net working capital and cash position of company effected during year under review; this despite wiping out of debenture debt during period.

Sales Over $212 Million

Sales for fiscal year under review were valued at $212,843,546 and showed an increase of 22 per cent over previous year's figure of $174,667,188. Transport charges were $1,150,000 greater at $6,687,608; livestock costs were up $30,850,000 at $172,343,387; materials costs were higher by about $1,750,000 at $6,360,171; salaries and wages up over $2,100,000 at $13,952,525; and general expenses $1,120,000 greater at $7,113,666. Income and excess profits tax reserve was up at $3,023,214 from $1,843,664 in previous year. After these charges and write-offs to depreciation and inventory reserve, net earnings applicable to dividends on capital stock for past fiscal year were shown at $1,687,586 as compared with $1,611,417 for preceding year. Deduction of dividends, amounting to $800,000, left surplus for period of $887,586 and increased surplus in profit and loss account to $11,272,439.

In balance sheet, net working capital is shown up at $9,773,826 from $9,205,973 at end of preceding year. Current assets increased to $30,811,336 from $23,547,424 and current liabilities to $21,037,510 from $14,341,451. Among individual items on balance sheet principal changes were an expansion in holdings of government bonds, etc., to $3,156,816; a reduction in receivables to $9,685,072 from $11,629,859; and an increase in inventories to $17,179,168 from $10,757,943. Cash in hand amounted to $48,638 as compared with $29,294. Reflecting wide expansion in inventories during year arising from operating and marketing conditions bank loans are shown up at $12,464,541 from $9,275,362 and accounts payable are sharply higher at $4,180,254 as compared with $2,694,172. Tax reserves are up over $2 million at $4,192,715. Outstanding debentures to amount of $750,000 on pre-

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Canada's Twentieth Century Could Start At the End of This War

BY D. E. BELL

AS THIS issue of The Financial Times goes to press—reviewing Canada's war effort and outlining plans for the peace to follow—the outstanding characteristic of Canada's frame of mind is Confidence. Of course, there is a great deal of bewilderment about the details that are ahead of us; there is a goodly measure of doubt too about the initial smoothness with which we shall be able to pass from one phase in our history into another. But, nevertheless, Canadians as a whole know that things for us will be a good deal better than they will for others and that if we keep our heads, they will be a good deal better for us than they have been in years gone by.

What, briefly, are the circumstances and conditions under which we approach the end of the war. Fundamentally of course they are the circumstances in which a nation finds itself when it has made a supreme effort and winds up on the winning side. In old days, this might have been enough of a measuring stick on which to measure the future. Today, life is a bit more complicated, and there are consequently more things to be considered.

Superficially, the future will be governed for us by the success which attends present efforts to prevent the recurrence of such insane brawls as the one which was let loose on the world a half a decade ago; it will also be governed by the measure of success that attends the operation of projected economic rules and regulations which are supposed to affect or control us in our dealings with other peoples. But less superficially and deep down in the fabric of which peoples' history is made, our future must be governed by our own behaviour and by our own spirit as applied to our own immediate problems.

* * *

In the first category of governing influences we find that we shall—some day—end this war with a better understanding of the meaning of political alliances than we have ever had before. We shall be provided with at least the frameworks of cooperative machineries in matters of living together as between nations and continents and we shall, it is hoped, have the power to prevent the more nasty forms of aggression that even mugwumpery could not pretend to be something else. Lastly, in that sphere, we are reported to be preparing a new spiritual basis which should prevent situations from arising which might conceivably lead to the more nasty forms of aggression. Somehow or other, it is in these preparations that the greatest source of superficial confidence is contained today.

Economically speaking, the world is preparing for a method of dealing out in fair measure the substances and services which make life liveable in this day and age; we have discovered that there are conditions of existence which are not conducive to peaceful life and we have half-heartedly agreed that we shall do something about these conditions out of the plenty that exists in some other areas. What we are not yet sure of, but what we are diligently trying to find out, is how to create the machinery which will permit the giving without forcing anyone to take away something that the owner does not care to let go.

Somehow, in this field there is a certain amount of confidence that we shall prove equal to the task. Altogether, we find that the majority of Canadians, of high and low estate alike, feel that sufficient progress has been made to encourage belief that the war will be followed, in due time, by a system of order, mutual benevolence and reasonably peaceful conditions.

* * *

There is, as has been said before, a measure of bewilderment nevertheless; this is due largely to the view which is presented to everyone of the latent power that has been inherent in Canada all along. We view, somewhat confusedly, the array of wealth-creating machinery that we have been able to set up for wealth-destroying purposes and we are somehow bewildered by the problem of actually using that creative power for our own economic uplift. Canada has discovered so many new ways of doing things; so many means of using material that used to go down to the seas in sewers; so many new skills and outlets for her energy, that she is now bubbling over with proposals and promises, with highly tentative plans and with blueprints which would do justice to a nation of five times her numbers.

If the people are bewildered it

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COCKSHUTT PLANS ON RECONVERSION WELL ADVANCED

Company Still Concentrating on War Production But Works on Peace Problems

BIG FARM MARKETS

War production continues to receive first attention at plants of Cockshutt Plow Co. Ltd., according to C. Gordon Cockshutt, president of company.

"We are manufacturing undercarriages, jacks, wings, exhaust systems and miscellaneous components for such important aircraft as the Lancaster, Mosquito and Anson," Mr. Cockshutt says in a statement to The Financial Times. "Shell production has been considerably increased and this division is now working on a capacity basis. Cockshutts pioneered and continues to give leadership in the manufacture of plywood aircraft. This has been an important addition to Canadian manufacturing capacity and marks a development which no doubt will be expanded considerably in the future.

Army vehicles of various types are rolling off company's production line in large numbers. The experience gained in the manufacture of war materials has produced noteworthy progress in mechanical efficiency, which," the president points out, "will greatly assist us to rebuild our production in times of peace. While we have been working for victory, we have been planning for peace. Cockshutt plans for reconversion are as complete as present conditions permit. We feel that the difficult process of releasing men and women from the services and necessary adjustments in industry will be on a more gradual scale than was experienced in 1918. With this in mind and the tremendous back-log of business, the situation should be eased considerably and will help us to solve our employment problem. In addition to fulfilling home market requirements, large quantities of farm machinery will be required for devastated countries as we assist in their rehabilitation.

"Cockshutts," he continued, "are prepared to serve the Canadian farmer in peace as effectively as we

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NO DECISION YET OUTPUT OF NEW CELANESE PLANT

Company Official Says Post-War Markets Will Dictate Use of Added Capacity

MACHINES NOT ORDERED

May Be Used for Plastics Production Or to Increase Output of Regular Lines of Yarns or Fabrics.

Recent announcement of the private offering by Canadian Celanese Limited of a $5,000,000 issue of 15-year 3½ per cent debentures for extension of its manufacturing facilities has given rise to some conjecture as to what products will be included in its augmented output program.

Interviewed this week by The Financial Times, C. W. Palmer, company vice-president, declared:

"We have as yet made no statement regarding the product of our new addition at Drummondville. While such a statement would no doubt be of interest to shareholders and the public alike, it is not deemed expedient to make any declaration at the present time.

"Let me clarify the company's attitude. Construction of the "basic' plant is now well under way. However we must consider markets and machinery available, not today, but when the 'basic' plant construction nears completion.

"By 'basic' is meant a plant building that can be as well used for, let us say, yarn spinning, textile weaving, plastics manufacturing, or indeed, the making of practically any of our company's products.

Depends On Markets

"Obviously, it would be foolish in the extreme, as well as being unfair and misleading to shareholders, to commit ourselves publicly to the manufacture of one product or another. The only safe course to pursue is to await the time when the new building is nearly ready for occupation, and, with due regard for then existing market requirements, purchase the most advanced and improved machinery available, with which to turn out commodities most in demand.

"Thus we might, for example, extend our normal spinning capacity, manufacture plastics, chemicals or other products, or, if it seemed advisable, combine several diverse operations under one roof, with maximum efficiency and consequent profit."

The present Celanese plant at Drummondville produces cellulose acetate, yarn and artificial silk fabrics; also hosiery, underwear and fused collars. It employs approximately 3,000 persons.

"Celanese" is the company's trade name for cellulose acetate, produced from either cotton linters or wood cellulose. Its chemical transformation into a synthetic textile yarn has resulted in the production, before the war, of many new fabrics, mainly of the silk-like variety, as satin, moire, chiffonese, crepes, taffeta and sheers, largely used by manufacturers of dresses, negligees and lingerie. Celanese fabrics are also used extensively in making dra-

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Coast Shipyards Busy for Duration on War Orders

(Special Correspondent)

Vancouver—Three British Columbia shipyards are now sharing $30 million worth of ocean-going landing craft orders, and it is expected that at least two of Vancouver's shipbuilding plants will have all their berths occupied with this type of work during the coming months.

It had previously been announced that some of the larger west coast steel shipyards would in future be able to devote one of their berths to private civilian contracts, but this will probably have to be modified to some extent to provide for the new landing-craft orders.

Yarrows, Ltd., the Esquimalt yard that has been concentrating throughout the war period on naval work, has had its original contract for six landing craft increased to eight. Burrard Dry Dock, Ltd., will build five of these ships, and West Coast Shipbuilders, Ltd., will build two.

North Van Ship Repairs is the only major British Columbia shipyard not sharing in this new government business. But this yard, as well as some of the others, already is pretty fully occupied with the building of 10,000-ton maintenance ships to be used in various war zones.

Vancouver yards are toady in the market for another 1000 men, so that there is every indication that shipyard activity will continue for some time to come, and that recently expressed fears for the industry on the score of unemployment were premature.

Most of the operators feel that while the scope for production will be limited after the war, there will be ample business to keep most of the established plants in sound, working condition.

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Suggestions for September Investment

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Ontario Hydro Cutting Power Rates To Mines

Port Arthur. — Power rate reductions, which are expected to give added impetus to Ontario's mining industry after the war when miners return to their peacetime occupations, were announced here by Dr. Thomas H. Hogg, chairman of the Hydro-Electric Power Commission of Ontario.

Under the new authorized rates, which become effective January 1, 1945, gold mines in all districts throughout Northern Ontario will pay $27.50 per horsepower par annum for the first block up to 5,000 h.p.

At present, properties located in Porcupine, Kirkland Lake, Larder Lake and Matchewan districts, served by the Commission's Abitibi Canyon development, pay $32.50 per first block up to 5,000 h.p., while gold mines in the Thunder Bay and Patricia districts are paying $35.

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DYESTUFFS have always been an important article of commerce. Long years ago, in the days of earliest navigation, ships sailed to distant points, braved the dangers of uncharted seas in their search for more brilliant reds and blues that would not fade. Tyre itself rose to fame largely on the quality of the dyes that it could offer to the early world.

To-day the important part that dyes play in industry is no secret. Busy shoppers look for smart materials, feel their fine texture and ask, "Is the colour fast?"

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C-I-L

CANADIAN INDUSTRIES LIMITED

PA 305

IMPROVED YEAR IS REPORTED BY MERSEY PAPER

Net Loss for 1942 Turned Into Sizeable Net Profit With Gross Sharply Higher

$2.62 ON PREFERRED

Consolidated statement of Mersey Paper Co., Ltd., for year ended December 31st, 1943, shows an expansion of almost 50 per cent in operating profits as compared with previous year; a net profit, after all charges and write-up equal to $2.62 a share on outstanding preferred stock as against a net deficit for year before, and a material improvement in net working capital and in cash position.

Gross operating profit after provision for depletion, for 1943 is reported at $1,105,420, an increase of about $320,000 over figure for 1942. Interest charges are shown somewhat lower at $236,939 and depreciation provision more than $100,000 greater at $641,624. Bond discount is $26,500 lower at $10,882, but $84,689 is reserved for taxes against nothing in preceding year. After all deductions there was a net profit for last year of $131,286 as against a deficit of $37,383 in 1942. Profit and loss figures for past 2 years are compared herewith:

	—Years end. Dec. 31— 1943	1942
	$	$
Gross profit (a)	1,105,420	787,876
Interest charges	236,939	252,187
Balance	868,481	535,689
Deprec. prov.	641,624	535,689
Balance	226,857	.....
Tax provision	84,689	.....
Bond discount and exp. written off ..	10,882	37,383
Net profit	131,286	(d)37,383
Prev. surplus (b) ...	947,869	906,778
P. & L. balance ..	1,079,155	869,395

(a)—After depletion.
(b)—Adjusted.
(d)—Deficit.

Working Capital Gain

Balance sheet shows an expansion of nearly $675,000 during year in net working capital which is indicated at $3,238,068, with current assets $660,000 higher than at end of 1942 at $3,932,909 and current liabilities about $13,500 lower at $694,841.

Principal changes among current assets are an increase in cash to $625,435 from $87,332 and an expansion in holdings of government bonds to $750,000 from $300,000. Receivables are shown $315,000 lower at $887,228 while inventories are relatively unchanged at $1,661,012.

Funded debt outstanding was reduced during year, 1st mortgage bonds being shown $76,500 lower at $3,372,000 and general mortgage bonds down $56,500 at $1,532,500. Net working capital figures for past year compare as follows:

	—As at December 31— 1943	1942
Curr. assets	$3,932,909	$3,272,552
Curr. liabs.	694,840	706,249
Net work. cap.	$3,238,069	$2,564,303

Superintendent's Official

Jean Paul Rolland, manager of the Rolland Paper Co., Limited, who has been elected vice-president of the New York Canadian Division of the American Pulp & Paper Mill Superintendents' Association at the annual convention held in St. Catharines.

TWIN CITY FILES REFUNDING PLAN

To Take Advantage of Money Conditions by Refinancing of Outstanding Bonds

St. Paul—The Twin City Rapid Transit Company has filed with Minnesota Railroad and Warehouse Commission details of a plan for refunding of its bonded debt. The plan calls for the refinancing of the outstanding mortgage debt of $10,989,000. This will involve a local bank loan of $2,000,000 distributed between First National of St. Paul and the Northwestern National and First National of Minneapolis at an interest rate of 2.18% to be repaid in five years at rate of $400,000 a year.

Other phases are covered in a $2,000,000 indenture to run for 20 years with the remaining $1,989,600 to be retired from current funds.

The funding program was made possible by the current favorable money rates. The plan is expected to be complete by December 1.

As at December 31, 1943, Twin City's earned surplus amounted to $6,259,092, an increase of $3,248,048 since December 31, 1938; the depreciation reserve amounted to $19,688,084, an increase of $3,101,348 from December 31, 1938; but working capital declined $589,483 in the five years to amount to $809,123.

Jamaica Public Service Net For July Shaded

Jamaica Public Service Ltd. and subsidiaries report for month of July a slight contraction in net earnings after all charges in comparison with same month last year at $22,284 as against $23,778. Operating revenues for month were up about $8,650 at $130,373 while gross income after retirement, reserves and accruals were about $1,000 lower at $22,284.

For 12 months ended July 31, 1944, operating revenues amounted to $1,523,777 and showed an increase of about $215,000 over figure for preceding 12 months. Net income after all charges for cumulative period was about $47,000 greater at $271,769. Comparable figures herewith:

JULY	1944	1943
Oper. revenues	$ 130,373	$ 121,718
Gross inc. after res.	31,533	32,461
Net income	22,284	23,778
12 mos. ended July 31		
Oper. revenues	$1,523,777	$1,309,091
Gross inc. after res.	376,534	330,423
Net income	271,769	225,429

Subject to adjustment and audit the subsidiary companies' figures included in the statement have been converted from £ at rate of $4.82 2/3 to the £.

Second Quarter Less International Hydro

Boston. — Irwin L. Moore, president, International Hydro-Electric System, reports the organization showed a net loss for the quarter ended June 30 of $319,416 as compared with a net profit of $204,099 in the corresponding period in 1943. The announcement was made in a statement sent to shareholders. The figures included the system and its subsidiaries.

For the six months' period ending June 30, the system showed a net loss of $262,620 as compared with a net profit of $193,228 for the previous 6-months.

C.P.R. Weekly Gross Reveals Contraction

Canadian Pacific Railway Company reports a reduction of $483,000 or 8.3 per cent in gross earnings for the week ended September 7 as compared with the corresponding period of last year. Total in the latest week was $6,269,000 as against $5,786,000 a year ago.

Cumulative gross earnings from beginning of the year until September 7th aggregated $216,591,000, representing an increase of $21,076,000, or 10.7 per cent., over the total of $195,515,000 for corresponding period of 1943.

C.C.F. POLICY FOR STATE CONTROL OF LOGGING IN B.C.

Member of Party Gives Notice In Evidence Before Sloan Royal Commission

CHARGE BUSINESS MORE

Special Correspondence

Vancouver — The Sloan royal commission on forestry has heard many suggestions for the solution of British Columbia's timber problems during the past few months, but it remained for the C.C.F. to offer an over-all cure-all, in the form of state ownership.

Colin Cameron, C.C.F. member of the provincial legislature for Comox, presented the proposal to the Sloan commission in the course of a bitter attack on private operators in the logging industry. He said that under his plan the government would do all the logging on Crown timberlands.

"This will be the policy of the Opposition if and when it is called on to form a government", said Mr. Cameron. In the meantime he said that the industry must prepare itself for higher charges and that the government should increase its measure of control over the industry.

Development of a state-owned industry, said Mr. Cameron, would be carried out under a program including:

1. Creation of an operating as well as administrating unit in the forest service of the provincial government.

2. Initiation of a policy for state operation in the forests as producers as well as enforcement agencies.

The overwhelming bulk of the net returns from our forest revenue is drawn off into private hands", said Mr. Cameron. "Out of an approximate direct forest revenue of $124 million in 1942, only $4.2 million was received by the government."

Much Conflicting Evidence

The Sloan commission has heard a good deal of conflicting evidence as to how a new forest policy for British Columbia should be brought about, but there appears to be a substantial advocacy of a forest board to act in an advisory capacity. This proposed board would be reinforced by a commission of salaried experts.

However, at this stage of the proceedings, there is no telling what the Sloan commission may recommend. Meantime it has provided a sounding board for the recital of a tremendous volume of constructive testimony bearing on the major natural resource and the largest industry in British Columbia.

Most of the important producers who have given evidence appear to be convinced that British Columbia will be able to adopt a sustained yield policy to maintain production in perpetuity provided that prompt measures are taken.

BARCELONA TRAC. PROFITS HIGHER

Report Shows 'Limited Growth' In Business Experienced During Past Year

Barcelona Traction, Light & Power Co. reports that income from investments in subsidiary companies, due but not yet received, amounted to $4,644,096 during the year ended December 31, 1943, compared with $4,391,151 in 1942.

After deductions, including unpaid bond interest of $991,371 and contingent reserve of $400,000, there was a balance of $2,779,408 against $2,421,518. In 1942, deductions included a similar contingent reserve provision and $1,009,704 for unpaid bond interest.

The year's balance of profits, together with previous balance of $1,485,162 and net credit adjustments of $2,024,267, making a total of $6,288,838, is carried in the balance sheet as a suspense account.

Report indicates that business of the operating and associated companies in Spain showed "limited growth" during the year. Difficulties in obtaining exchange continued to exist. No exchange was available to meet the service of fixed interest securities owned by Barcelona Traction.

Water Conditions In August Generally Off

Ottawa. — Water level of the St. Lawrence River in Montreal harbor during August was slightly lower than in the previous month and was considerably below the corresponding month of last year, according to a report issued by the Federal Hydrographic and Map service. The river was 4¾ inches lower than July, 1944, and 19½ inches lower than August, 1943.

Other water levels in Canada during August, follow:

Lake Superior at Port Arthur — Three inches higher than July, 1944, 1⅛ inches lower than August, 1943;

Lake Huron at Goderich — 1½ inches lower than July, 1944, 9½ inches lower than August, 1943;

Lake Erie at Port Colborne — 4½ inches lower than July, 1944, 11¼ inches lower than August, 1943;

Lake Ontario at Kingston — 4¾ inches lower than July, 1944, and 17¼ inches lower than the highest August, 1943.

COKE PRODUCTION UP

Quebec—Production of coke in Quebec and the Maritimes in January-June amounted to 533,645 tons, compared with 523,584 tons in the corresponding period of last year.

You pray *he* will inherit a Peaceful world

YOU ARE making sacrifices now so that your boy may enjoy manhood in a world freed from war . . . but ahead of him lie peacetime battles: for education, for position in the world, for self-respect!

The start in life you give him will be his weapon.

By taking out a Mutual Life of Canada insurance policy for him *now*, you start him on a worthwhile savings program . . . with the advantage of a low premium rate because of his age, as well as the usual benefits of *low-cost* Mutual Life insurance.

Have a Mutual Life representative explain the special features of this Company . . . and let him help you arrange a policy for your son.

Make this *Your* Company by Becoming a Policyholder

THE MUTUAL LIFE OF CANADA

Established 1869

Head Office: Waterloo, Ontario

75th YEAR

Dividend Declarations

	Yearly Rate	Div.	Date Payable	Record	—1944-1943— Paid	Paid
	$	$			$	$
Asbestos Corp. Ltd.	.80	.20q	Sept. 30	Sept. 1	.70	1.30
Assoc. Breweries of Can. Ltd...	1.00	.25 q	Sept. 30	Aug. 31	.75	1.50
Bank of Nova Scotia	10.00	2.50q	Oct. 2	Sept. 15	10.00	10.00
Beatty Brothers Limited "A" ...		.50 Int.	Oct. 2	Sept. 15	1.87½	1.00
Beatty Brothers Ltd. "B"		.25 Int.	Oct. 2	Sept. 15	.87½	...
Belding-Corticelli Ltd., common .	4.00	1.00 q	Oct. 2	Aug. 31	6.00	6.00
Do., Pref.	7.00	1.75 q	Oct. 2	Aug. 31	7.00	7.00
Brantford Cordage Co. Ltd., Pref.	1.30	.32½q	Oct. 15	Sept. 20	1.30	1.30
Brazilian Traction, Light & Power Co. Ltd., Pref.	6.00	1.50q	Oct. 2	Sept. 15	6.00	6.00
B. C. Power Corp. Ltd. "A"	1.60	.40q	Oct. 14	Sept. 30	1.70	2.00
British American Oil Co. Ltd. ..	1.00	.25q	Oct. 2	Sept. 5	1.00	1.00
Bralorne Mines Ltd.	.80	.20q	Oct. 14	Sept. 21	1.10	1.20
Broulan Porcupine Mines		.04 Int.	Oct. 31	Sept. 30	.08½	.09
Building Products Ltd.	.60	.15q	Oct. 2	Sept. 14	.60	.72½
Burlington Steel Co. Ltd.	.60	.15q	Oct. 2	Sept. 11	.60	.60
Calgary & Edmonton Corp. Ltd.		.05 Int.	Oct. 16	Sept. 19	.10	.10
Can. Breweries Ltd. Pref.	3.40	.85 q	Oct. 2	Aug. 15	3.40	3.40
Canadian Canners Ltd. common .		.20	Oct. 2	Sept. 15	.57½	.50
Do., 1st Pref.	1.00	.25q	Oct. 2	Sept. 15	1.20	1.20
Do., Extra		.05	Oct. 2	Sept. 15	..	..
Do., 2nd Pref.	.60	.15q	Oct. 2	Sept. 15	.83	.80
Do., Extra		.08	Oct. 2	Sept. 15	..	..
Can. Car & F'dry Co. Ltd. Pref.	2.10	.52q	Oct. 10	Sept. 21	2.10	1.93
Canadian Celanese Limited	1.00	.25q	Sept. 30	Sept. 14	1.50	2.00
Do., extra		.25	Sept. 30	Sept. 14	..	..
Do., Pref.	7.00	1.75q	Sept. 30	Sept. 14	5.78	7.94
Can. Cottons Ltd. new common .		.30	Oct. 2	Sept. 1	.30	..
Do., Pref.	6.00	1.50q	Oct. 2	Sept. 1	6.00	6.00
Canada Cycle & Motor Pref. ...	5.00	1.25q	Sept. 30	Sept. 15	3.75	5.00
Candn. Industries Ltd. Pref.	7.00	1.75qx	Oct. 14	Sept. 15	7.00	7.00
Candn. Industries Ltd. "A"		1.25q	Oct. 15	Sept. 15	3.75	5.25
Candn. Industries Ltd. "B"		1.25q	Oct. 15	Sept. 15	3.75	5.25
Canada Packers Ltd.	4.00	1.00q	Oct. 1	Sept. 2	4.00	4.00
Canadian Food Products	2.50	.62½ q	Oct. 2	Aug. 31	2.25	2.00
Can. Foreign Investment Corp..	..	50 Int.	Oct. 1	Sept. 1	2.00	2.00
Can. Gen. Elec. Co. Ltd., com. ...	8.00	2.00q	Oct. 2	Sept. 15	8.00	8.00
Can. North. Power Corp. Ltd. com.	.60	.15 q	Oct. 25	Sept. 20	.60	.60
Do., 7 per cent Pref.	7.00	1.75 q	Oct. 16	Sept. 20	7.00	7.00
Do., Pref.	8.00	2.00 q	Oct. 2	Sept. 20	8.00	8.00
Canada Permanent Mtge. Corp.	8.00	2.00q	Oct. 2	Sept. 15	8.00	8.00
Canada Steamship Lines Ltd. ...		.56 Int.	Oct. 2	Sept. 1	1.00	.50
Canadian Westinghouse Co. Ltd.	2.00	.50q	Oct. 1	Sept. 15	2.00	2.00
Cassidy's Limited Pref.		1.75	Oct. 2	Sept. 2	5.25	....
Central Can. Loan & Savings Co.	8.00	2.00q	Oct. 2	Sept. 16	8.00	8.00
Central Patricia Gold Mines Ltd.	.12	.03q	Sept. 30	Sept. 7	.12	.12
Cinzano Limited, Pref.		1.37½ Int.	Sept. 30	Sept. 16	1.37½	...
Commercial Alcohols Ltd., com.	.20	.05q	Oct. 16	Sept. 30	.20	.20
Do., Pref.	.40	.10q	Oct. 16	Sept. 30	.40	.40
Confederation Life Association	8	1.50 q	Sept 30	Sept 25	4.50	6.00
Cons. Gas Co. of Toronto	8.00	2.00q	Oct. 2	Sept. 15	8.00	8.00
Consolidated Press Ltd.		15 Int	Oct. 2	Sept. 15	.55	.40
Dairy Corp. of Canada Ltd., Pref.	2.50	1.25c	Oct. 1	Sept. 15	2.50	2.50
David & Frere Ltd. "A"	1.00	.25q	Sept. 30	Sept. 15	.90	1.15
Dom. Mines Ltd.	1.20	.30q	Oct. 30	Sept. 30	1.50	1.60
Dominion Foundries & Steel Ltd.	1.40	.35q	Oct. 2	Sept. 11	1.40	1.45
Dominion Glass Co. common	5.00	1.25q	Oct. 16	Sept. 28	5.00	5.00
Dominion Glass Co. Pref.	7.00	1.75q	Oct. 16	Sept. 28	7.00	7.00
Dom. Textile Co. Ltd. common ..	5.00	1.25q	Oct. 2	Sept. 5	5.00	5.00
Do., Pref.	7.00	1.75q	Oct. 16	Sept. 16	7.00	7.00
Fanny Farmer Candy Shops ...	1.50	37½q	Sept. 30	Sept. 11	1.12½	1.75
Foundation Co. of Can. Ltd. ...	1.40	.35q	Oct. 20	Sept. 30	1.40	1.40
Fraser Companies Ltd.		.35 Int.	Oct. 25	Sept. 30	.70	...
Goodyear Tire & Rubber Co. of Can. Ltd., com.	2.50	.62q	Oct. 2	Sept. 15	2.50	4.50
Do., Pref.	2.50	.62½q	Oct. 2	Sept. 15	2.50	2.50
Greening Wire Co.	.60	.15q	Oct. 2	Sept. 1	.60	.60
Hinde and Dauch Paper of Can.	1.00	.25q	Oct. 2	Sept. 5	.75	1.00
Howard Smith Paper Mills Ltd. Pr.	6.00	1.50q	Oct. 2	Sept. 30	6.00	6.00
Humberstone Shoe Co.		1.00 Int.	Oct. 2	Sept. 15	1.00	.75
Huron & Erie Mortgage Corp. ..	4.00	1.00q	Oct. 1	Sept. 15	4.00	4.00
Do., 20%	.80	.20q	Oct. 1	Sept. 15	.80	.80
Imperial Tobacco Co. of Can. ...	.40	.10 q	Sept. 30	Aug. 15	.45	.55
Do., Pref.	6%	3% s	Sept. 30	Aug. 15	6%	6%
Int. Bronze Powders Ltd.	.80	20q	Oct. 15	Sept. 15	.80	.80
Int. Bronze Powders Ltd., Pref.	1.50	.37½q	Oct. 15	Sept. 15	1.50	1.50
Inter City Baking Co. Ltd.		.75 Int.	Sept. 30	Sept. 14	3.25	4.00
Intern. Nickel Co. of Can. Com. .		.40ax	Sept. 30	Aug. 31	1.20	2.00
Int. Power Co. 1st Pref.		1.75 Int.	Oct. 2	Sept. 9	12.00	12.00
Jamaica Public Service Ltd. com.	.68	.17q	Oct. 2	Aug. 31	.68	.68
Do., Pref.	7.00	1.75q	Oct. 2	Aug. 31	7.00	7.00
Kirkland Lake Gold Mines	.04	.02s	Oct. 31	Sept. 29	.04	.04
Landed Banking and Loan Co. ..	4.00	1.00q	Oct. 2	Sept. 15	4.00	4.00
John A. Lang and Sons Ltd.	.70	17½q	Oct. 2	Sept. 11	1.00	1.00
Marcus Loews Theatres Pref. ...	7.00	1.75q	Sept. 30	Sept. 15	5.25	7.00
Maritime Tel. & Tel. common ..	.70	.17½q	Oct. 16	Sept. 20	.70	.70
Maritime Tel. & Tel. Pref.	.70	.17½q	Oct. 16	Sept. 20	.70	.70
Modern Containers Ltd. Pref. .	5.50	1.37½q	Oct. 2	Sept. 20	5.50	5.50
Montreal Telegraph Co.	1.92	.48q	Oct. 16	Sept. 15	1.92	1.92
Moore Corp. Ltd.	2.22	.55½q	Oct. 2	Sept. 7	2.88½	2.88½
Do., "A" Pref.	7.00	1.75q X	Oct. 2	Sept. 7	7.00	7.00
Do., "B" Pref.	7.00	1.75q X	Oct. 2	Sept. 7	7.00	7.00
Murphy Paint Co. Ltd., common	.80	.20q	Oct. 1	Sept. 15	.80	.80
Do., Pref.	5.50	1.37½q	Oct. 1	Sept. 15	5.50	5.50
National Breweries Ltd. common	2.00	.50q	Oct. 2	Sept. 8	2.00	2.00
Do., Pref.	1.75	.44q	Oct. 2	Sept. 8	1.75	1.75
National Steel Car Corp.	1.00	.25q	Oct. 15	Sept. 15	1.00	4.00
National Trust Co.	8.00	2.00q	Oct. 2	Sept. 15	8.00	8.00
Niagara Wire Weaving Co Ltd..	1.00	.25 q	Oct. 2	Sept. 7	.75	1.00
Nova Scotia L. & P. Co. Ltd. ...	5.00	1.25q	Oct. 2	Sept. 15	5.00	6.00
Ogilvie Flour Mills Co. Ltd. com.	1.00	.25 q	Oct. 2	Aug. 25	1.00	1.00
Ontario Loan & Debenture Co. .	5.00	1.25q	Oct. 2	Sept. 15	5.00	5.00
Ottawa Electric Railway Co.	2.00	.50q	Oct. 2	Sept. 1	2.00	2.20
Ottawa Light, H. & P. Co. com.	.60	.15 q	Oct. 2	Aug. 4	.60	.60
Do., Pref.	5.00	1.25 q	Oct. 2	Aug. 4	5.00	5.00
Perron Gold Mines Ltd.	.08	.02 q	Sept. 30	Aug. 31	.06	.10
Power Corp. of C. Ltd. 1st Pref.	6.00	1.50 qx	Oct. 16	Sept. 20	6.00	6.00
Do., 2nd Pref.	3.00	.75 q	Oct. 16	Sept. 20	3.00	3.00
Preston East Dome Mines	.20	.05q	Oct. 14	Sept. 15	.20	.20
Price Brothers & Co. Ltd. Pref.	5.50	1.37½q	Oct. 2	Sept. 1	5.50	5.50
Regent Knitting Mills Ltd., Com.		25 Int.	Oct. 16	Sept. 15	.50	.75
Riverside Silk Mills	2.00	.50q	Oct. 2	Sept. 15	2.00	2.00
P. L. Robertson Manfg. Co. Ltd., common	2.00	.50q	Oct. 1	Sept. 20	2.00	1.50
Do., Pref.	2.50	.62½q	Oct. 1	Sept. 20	2.50	1.87½
Russell Industries Pref.	7.00	1.75q	Sept. 30	Sept. 15	5.25	7.00
Do. Common	1.20	.30q	Sept. 30	Sept. 15	.90	.80
Sheep Creek Gold Mines Ltd. ...	.12	.03 Int.	Oct. 14	Sept. 30	.12	.16
Silverwood Dairies Ltd. common		.20 int	Oct. 8	Aug. 31	.40	.40
Do., Pref.	..	.20 s	Oct. 8	Aug. 31	.40	.40
Southern Can. Power Co.	6.00	1.50q	Oct. 16	Sept. 20	6.00	6.00
Standard Fuel Co. Pref.		3.00 Int.	Oct. 1	Sept. 15	11.00	6.00
Standard Radio Limited "A" ...	.40	.10q	Oct. 10	Sept. 21	.40	.40
Standard Radio Limited "B" ...	.40	.10q	Oct. 10	Sept. 21	.40	.40
Sun Life Assur. Co. of Can. ...	13.00	3.25q	Oct. 2	Sept. 15	13.00	13.00
Sylvanite Gold Mines Ltd.		.03q	Oct. 16	Aug. 19	.12	.12
G. Tamblyn Limited	.80	.20q	Oct. 2	Sept. 8	.80	.80
Tooke Bros. Ltd.	1.00	.25q	Oct. 3	Sept. 15	1.00	..
Toronto Mortgage Co.	5.00	1.25q	Oct. 2	Sept. 15	5.00	5.00
United Fuel Investments "A" ..	3.00	.75 q	Oct. 2	Sept. 9	3.00	3.00
Viau Limited, Pref.	5.00	1.25q	Oct. 2	Sept. 20	5.00	5.00
Western Grocers Ltd., common ..	3.00	.75q	Oct. 15	Sept. 15	5.00	5.00
Do., Pref.	7.00	1.75q	Oct. 15	Sept. 15	7.00	7.00
Weston (George) Co. Ltd.	.80	.20q	Oct. 2	Sept. 1	.80	.80
Wilsil Limited	1.00	.25q	Oct. 2	Sept. 1	1.00	1.00
Woods Manufacturing Co.	...	.50 q	Sept. 30	Aug. 31	.50	...

s—Semi-Annually. Int.—Interim. q—Quartrly. Arr.—Arrears
z—Payable in U.S. Funds. X—To be corrected.

CITY TAXES ON C.N.R. TO GO TO SUPREME COURT

Halifax and Saint John Levies on Govt. System Disputed By Railway

GOVERNMENT A PARTY

Special Correspondence

Halifax—A stated case is to be presented to the Supreme Court of Canada in the matter of the collection of taxes on properties of the C.N.R. in Saint John and Halifax. This was the outcome of a hearing held in the Tax Appeal court here. The railway is disputing the right of the cities to impose the tax.

It was stated by City Solicitor C. P. Bethune, chairman of the Tax Appeal Court, that the case probably would be heard within a few months. In Halifax collection of the tax would amount to $267,923.07 additional revenue to the city treasury. In Saint John it would be much less.

Both sides were represented by counsel and the City of Saint John was represented by J. F. H. Teed, K.C. The action is being contested by both the railway and the Federal Department of Justice. It was stated by F. D. Smith, on behalf of the railway and the Department of Justice, that, subject to further instructions, he thought the C.N.R. or the Department of Justice would agree to make a stated case of the matter as the quickest way of procedure and that the C.N.R. would make witnesses available.

Disagree With Railway Co.

The city disagrees with the C.N.R. that the taxation it and Saint John seek to impose is not within the legislative power of the respective provinces. In reply it was stated on behalf of the railway, that its attitude is one of co-operation and to get all the facts which have bearing on the case for presentation to the Supreme Court.

Mr. Smith further said that, in the opinion of the railway, the tax was too high. Mr. Teed, representing Saint John, said the same objection has been made in the case of his city and it is the intention of Saint John to ask for particulars as to what items in the assessment are challenged. He also said the situation here is the same as in Saint John where a notice of appeal from the assessment has been filed in the Court of Revision. Saint John, he added, submits that the railway is operated by the Canadian National Railways Company, and that its employees are employed by the railway, not by the government, since they do not come under the provisions of the Dominion Civil Service Act.

To Pool Resources

Mayor Lloyd, of Halifax, and City Solicitor Bethune paid a brief visit to Saint John to meet with the Common Council to discuss the C.N.R. tax matter. Following the meeting, it was announced by Mayor Wasson that an agreement had been reached, subject to confirmation by the City Council of Halifax, whereby both cities will pool resources and expenses in connection with proceedings in the courts of the respective provinces on the C.N.R. tax matter. It was further agreed that both cities will co-operate fully in respect to the matter.

In a statement following the meeting, Mayor Lloyd, of Halifax said: "The Common Council of Saint John has agreed with me that the counsels of both cities should be authorized to engage consulting counsels to insure the best possible presentation of the case. From the discussions, I feel greatly encouraged that the final results will bring an adjustment of this obvious inequality to these Maritime cities as against other Canadian municipalities". He went on to say: "I feel such meetings between the two cities are of great benefit to the Maritime Provinces in general. I hope these sister cities may find it possible to co-operate more fully on other matters in the future".

SASK. POWER OUTPUT UP

Regina—Power generated by the central electric stations of Saskatchewan in the first half of the year amounted to 351,266,000 kilowatt hours, compared with 350,829,000 kw.h. in January-June 1943.

SYSTEMATIC SAVING BEST

Determine the amount of money you intend to save, and budget your controllable expenses accordingly. We'll help you: Open a Savings Account with us. Your money will be available at any time it is required. When you subscribe to a war purpose or a government loan, issue your cheque and keep within your budget.

CANADA PERMANENT Mortgage Corporation

Head Office, 320 Bay St., Toronto

Assets Exceed $61,000,000

Labor Relations Problems Can be Solved Peaceably

BY E. C. ERTL

NOT THE least of the concerns of Industrial Management is the development of harmonious employee relations after the war. The average empoyer knows—The average employer knows—too—that once the war-created urges of patriotism and the willingness 'to give in' have ceased to be effective, labor's drive for security, for a measure of partnership or whatever you want to call it will gain an impetus far beyond anything known in the past. There is no use fooling ourselves on that score; it is in the cards and everything these past fifteen years or so has been leading up to it: the development of political sentiment, legislation and above all the grouping together of labor in industrial rather than craft associations.

The only question that yet remains to be answered is whether the present method of arguing things out, the method of yielding and pressing, of coercing and chiselling, of staying away from the job at crucial moments, whether this is the right method or even the only successful one. In view of the fact that there are few instances of anything else having been tried, one might be in doubt about the answer.

Canadian business men have watched—and Canadian laymen have read about—some schemes that have been tried in the United States. The Senate there has published a collection plan to create a measure of partnership between those who invest their capital and those who invest their labor in creative enterprise. The essence of all these schemes is that those participating in production of actual wealth, share in the proceeds by working for wages as well as profits. Now, it is pretty obvious that there are hitches in putting most such schemes into effect. For once, a seasonal industry could not successfully try to operate a scheme that may work for an industry engaged on long term and all-year-round operations. Nevertheless, some of these schemes operated well, and some of them did not. Usually, the end results seem to have justified the heart-ache that went into figuring the plan out in the first place.

* * *

During the past few years, those Canadian industries which are not of a seasonal character have paid some considerable attention to a plan in operation in Hamilton, Ont., where, because of a high concentration of industrial enterprise, labor relations have been the beginning and the end of a day's work for plant managers, city councillors and shop sweepers within a radius of a considerable number of miels .The political as well as the industrial history of Hamilton within the past decade have made labor relations a vital matter for housewives, investors, government men and corner grocers.

Because Canadian industrialists are so interested in this scheme that makes operations at Hamilton's Dominion Foundries plant so different and so mutually profitable, it might be worthwhile at this stage of our industrial progress to see what makes it tick the way it does.

The scheme that is now in operations for the past five years or so, starts out with a thought that it is as old as the hills and that yet sounded startling when Dofasco's president, C. W. Sherman stressed it in the plant to create a security fund. The thought was that young fellows should not be prevented from getting into jobs because the old fellows on the other end of the line could not afford to step out of the procession. The obvious way to make the older boys get out when their time came, was to encourage them to prepare for their old age by systematic thrift. This can not be done simply by patting them on the back, or by threatening them with starvation, Charles Dickens' old theory, but by showing them how; by creating a machinery through which individual efforts can be combined to speed the growth of individual savings and lastly, by recognizing the fact that a new principle is gradually emerging before our very eyes, a principle that can no more be stopped than time itself.

* * *

So, five years ago, or maybe six, the Dofasco Fund started operating, without any initial assets, except the enthusiasm of its originators and the willingness of the plant crews to chip in.

First of all, a man must deserve to become a member of the Fund; this he can not do except by working faithfully at his job for a spell of two years or so. The next item is that the company demands thrift, by contracting to deduct 5% of the man's pay after his "probation period"; or amounts averaging $50 to $100 per year. Every year, to this accumulating fund, company will add 10% of its net profits. This check writing is done quite without ceremony and breast beating. It is part of the contract between the fund member and the company. Now what does all this add up to?

First, it introduces into the working man's way of life the principle of saving; secondly it creates something badly needed for a long time, a mass consciousness and a demand for loyalty to the company under all circumstances. By creating this spirit of loyalty—which is incidentally fortified by the possession of a larger than usual percentage of veteran employees—the company assured not only that every fund member become intent on PRODUCTION, but also on efficiency, on saving time, material, and effort wherever that can be done. It makes the employees feel that everytime they threaten to lose production by wastefulness or carelessnes, they cut to just that extent into their own share of production proceeds. It is quite a principle if figured out properly and with many an industry should make the difference between high cost and low cost production, between red ink and black.

* * *

The Fund is entirely apart from the funds of the company. It can not be touched and is under the care and scrutiny of the trustees, representing the company as well as the fund members. Since its inception, some 1,400 members have joined up and the empty cash box of a few years ago now contains assets on the way to the third million. Largely invested in government securities, it brings returns every year which themselves will be big enough to retire a number of men on a comfortable schedule of revenue when the time comes to lay down the tools for the last time.

Frequently, in such cases, administrative costs consume a goodly portion of the earnings. In this instance, however, Dofasco girls don't mind working free, a couple of evenings every now and again, to keep the pass books in order and the ledgers balanced. Almost everything is gravy for the members.

How do these funds grow? The interest on a fund of, say, two million dollars, is already quite a sum, to be added every year to the individual accounts on a pro rata basis; the cut from profits, also divided on a pro-rata basis, further increases a man's stake until, in a surprisingly short number of years, he has a real stake in the company, in the community and in life. If a man should quit his job he will draw all his contributions, plus the interest thereon, plus one half of his share of what the company has contributed plus the interest theron. If a man does not quit until his allotted span is done he will have something to fall back on that no government scheme can ever equal. If he should die, or become totally disabled his family will get everything that is due him from the fund. And the fund also carries a group insurance policy valued at $2,000.

What are the effects of such an arrangement on the men, on the company and on community morale? Well, Hansard of April 6th, 1943, carries some lengthy comment to show that the company's work in labor relations efforts are outstanding; the records of the Industrial Disputes Act show that what has disrupted Canadian industry, all the haggling and chicanery of the past four years, and all the striking and manoeuvering that has gone on here and there, somehow has always stopped outside the gates at Depew street in Hamilton. No more need be said on that score, those whose business it is to make records have made records long ago—and comparisons, too.

* * *

Community morale is maintained to an unique extent by the existence of this fund. Having developed principles of systematic thrift, Dofasco men have less per capita indebtedness than probably any other major industry's staffs in the district. Borrowing against the fund reserves is not encouraged, although the banks recognize its existence and record to the extent of lending in case of a real pinch. For most instances of that nature, the company employs social security advisors who usually can take care of what crops up in a man's lifetime, when illness strikes harder than expected, or when the mortgage and finance company become too insistent upon arrears.

What about the company; what about the men whose capital is invested to the extent of millions of dollars, so as to provide employment for a few thousand? The shareholders are tickled pink. They know that they have crews at work who will do their best to save tools, power and material and they feel that the share of profit that goes to their partners in the shop is an investment not only in peaceful relations but in an assured continuation of these relations during the period of stress that may be ahead.

For that there are periods of stress ahead for Canadian industry, and for those engaged in production of all kinds, is no longer a matter of speculation. The question confronting those charged with directing the coming together of management and labor and of capital and labor, is only how long the wrangling should last and how much disturbing influences should be suffered to have a say about it. It is a new field of pioneering that could pay handsome dividends to Canada, its industries and its citizens at a time when those dividends will be badly needed indeed.

BOND NOTES

National Trust Co., Ltd., announces that it has in hands for investment in series C bonds under terms of deed of trust and mortgage, dated May 1, 1930, made by National Light & Power Co., Ltd., to the trustee, approximately $30.300. Offering for sale of 4½% first mortgage sinking fund bonds, series C of National Light will be received by the Trust company up to and inclusive, September 25, 1944.

* * *

British American Oil Co's annual dividend payments of $1 a share has been shown earned by a fair margin in the post years and for the year ended Dec. 31, 1943, profits were shown at an all-time high of $1.06 a share, as compared with $1.03 a share in 1942, $1.05 in 1941, $1.11 in 1940 and $1.41 in 1939. The stock at its current level of around 23 yields 4.35 per cent on basis of the $1 dividend. Operations of the refinery of the company at Clarkson, Ontario, were conducted steadily this year as compared with only for one and a half months in 1943 as it was put in operations on November 15 last. The company, as at the end of 1943, had working capital amounting to some $14,000,000. When demand for war purposes ends the company will be in good position to meet industrial and general requirements for high grade gasolines and lubricating oils as it has kept its plants in high working shape.

* * *

Aluminum common strengthened again during past week after officials issued a statement saying that the sharp cutbacks in aluminum production in the United States and the postmonement on the part of the United States of taking delivery of the metal from Canada, will not affect the operations of the Aluminum Company of Canada plants at Arvida and Shawinigan Falls, as the Canadian company had foreseen a reduction in exports of aluminum by tapering off its smelting operations. Current operations of the company in Quebec province will be maintained in order to meet commitments to the United Nations Governments.

* * *

Announcement was made this week by the Bank of Canada, on behalf of Finance Minister Ilsley, that an issue of Dominion of Canada deposit certificates amounting to $128,980,000, dated September 12, 1944, due March 13, 1945, has been sold to the chartered banks at par. The certificates will bear interest at the rate of three-quarters of one per cent, yearly.

The issue does not represent new cash as a similar amount of certificates bearing the same date of interest matured this week.

* * *

Current reports indicate that private offering will be made shortly of an issue of $5,000,000 in 15-year 3½ per cent debentures of Canadian Celanese Limited, the offering price to be par.

Funds from this issue, it is stated, will be used to finance the expansion of the company's plants at Drummondville and to make provision for post-war needs of the company.

C.C.F. REGIME IN SASKATCHEWAN HITTING SNAGS

Report Industries Threaten Flight if Minimum Wage Law Implemented

NEW BOARD SET UP

WINNIPEG—In their attempt to implement their doctrines of socialism in an almost entirely rural area, the C.C.F. government in Saskatchewan continues to run up against a lot of snags, and the west as a whole is rather enjoying its discomfiture. All of the western papers, for example, carried a reference to the observation made by B. K. Sandwell, editor of Toronto Saturday Night, to the effect that Premier Douglas' proposal to tax outgoing interest would result in no more capital entering Saskatchewan. The C.C.F. premier however, has not explained his proposal and most Saskatchewan people were unaware that the Socialist government had any such plans in its program.

But while capital may be a sensitive commodity, Donovan Swailes, a former president of the Winnipeg Trades and Labor Council, has uncovered another reason for its prospective flight from the big wheat-growing province. If the proposed 35 cents an hour minimum wage law is introduced there, he declared that representatives of employers of Saskatchewan had warned the government that they will remove their industries from the province.

Mr. Swailes declared that his authority for this statement was the deputy minister of labor of Saskatchewan who had informed him in a recent conversation of the threat made by the employers. According to Mr. Swailes, the Saskatchewan government representative said that employers had advised the government that they would not object to increasing minimum wages by three percent above their existing levels. But if they were to be raised to 35 cents per hour, as the government has signified it intends, "they would be obliged to take their industries out of Saskatchewan."

Asked for Draft of Bill

Mr. Swailes went on to say that he had been informed by the deputy minister of labor that the employers' representatives had requested a copy of the minimum wage bill that was being drafted in Saskatchewan but they had been informed that they would not be shown the draft and that they could take their industries out of the province if they desired.

When shown a dispatch from Winnipeg to the effect Premier Douglas is reported to have said that he had no knowledge of any such warning.

At any rate Saskatchewan appears to be anticipating that more, not less, industries will be established in that province. A new branch of the Saskatchewan department of natural resources, to be known as the Industrial Development Board has been set up for the purpose of encouraging and providing for greater development of industries. In effect however, the Saskatchewan Industrial Development board has been in operation since 1942. It has been separate and apart from the provincial government, but it has now been taken over by the Douglas administration.

W. C. PITFIELD & CO. LIMITED

Sitting Tight?

No investment is good enough to forget. "Sitting tight" may sound conservative. Actually it may not be the best policy.

We strongly suggest that you revalue your investment holdings in the light of present day conditions. We shall be glad to assist you. List those securities you are doubtful about and send it to us for analysis.

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MONTREAL

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W. C. Pitfield Offering Westmount Church Bonds

W. C. Pitfield & Co., Ltd., is offering a new issue of $533,500, Trustees for the Church of the Ascension of Our Lord, Westmount, to be dated Oct. 1, 1944, and to mature serially January 2, 1946, to 1975 inclusive.

The bonds which are all priced at 100 and accrued interest and coupon rates are as follows: 3%, 3¼%, 3½%, 3¾%, and 4%, rank as legal investment for trustees in the Province of Quebec.

The proceeds from the sale of this issue will be used for the redemption on October 1, 1944, of all presently outstanding 4½% bonds issued in 1935.

Calgary and Edmonton Corp's Profits Expand

Calgary and Edmonton Corp. for the fiscal year ended June 30 reports combined profit from production, leases and investments of $339,247, or 14 cents a share, compared with $300,264, or 12.4 cents, in the preceding 12 months. Gross returns from mineral rights, including royalties and participating interests in wells, increased $21,748 to $488,696.

Production from wells located on the corporation's lands totalled 1,715,243 barrels, against 1,947,696 barrels in the preceding fiscal period. A total of 9,971 acres were placed under lease or option, and seven wells were drilled to completion on Calgary and Edmonton holdings in Turner Valley.

Cash position improved in the latest year, net current assets amounting to $687,513 on June 30, compared with $586,503 at the preceding fiscal year-end.

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EARLIER HARVEST FOR LARGER CROP IS IN PROSPECT

Wide Variation in Estimates of Yield on Prairies But Big Gain Assured

RAINS CUT GRADES

Special Correspondence

Winnipeg — With a wheat crop at least 30 percent larger than last year, the west is making excellent progress with its harvesting operations. Given good weather, cutting will be virtually completed this week, but a big threshing job remains to be done. It will be a distinctly satisfactory yield, perhaps averaging no. 2 northern in grade, while on the whole the wheat will be garnered a little earlier than last year.

Crop estimators are having a rather bad time of it this season. Such computations as have been made thus far show a variance of about 60,000,000 bushels in the wheat crop, chiefly because some accept and others reject the acreage figures put out by the Dominion Bureau of Statistics.

During the past week the Winnipeg Tribune estimated the wheat yield at 418,000,000 bushels. The Saskatchewan Pool put it at 400,000,000 bushels, while other computations have run as high as 460,000,000 bushels. It was observable however, that the Tribune estimated that the wheat in Saskatchewan would average 17½ bushels to the acre, while Alberta is given an average of 20½ bushels to the acre. Most western observers would probably be disposed to reverse these figures, but a verdict will not be available until threshing is further advanced.

Grade Shaded by Rains

It is generally believed now that the recent heavy rains had the effect of shading the grades in most areas of the west. The delay occasioned by the recent downpours was serious in eastern Manitoba but relatively light in the areas further west. This is attested by the excellent progress made in threshing which in Saskatchewan and Alberta is further advanced than it was at this time last year. Despite the rains, even Manitoba has done almost as much threshing as at this time in 1943.

From all parts of western Canada great train loads of grain from the new crop are moving toward the head of the lakes. The bottle neck at the twin cities is causing some concern. At the present time the congestion is such that it is said some 8,000 cars are being used to store grain. One Winnipeg paper appears to blame the government for the whole situation.

"Western Canada's great opportunity to ship out much of her surplus grain this year comes with the liberation of large areas in Europe and the closing scenes of the great European tragedy," it declares, "but it is feared that this opportunity has already been muffed. The government has stepped in, in a last-minute attempt to remedy the situation, but men who have been connected with the grain trade all their lives and who appreciate the seriousness of the situation, think the government acted two years too late."

Answer to Congestion

The Winnipeg paper, however, thinks it has discovered the answer to the congestion. It declares: "There could have been installed in the larger and more modern elevators mechanical dumpers. There are 15 elevators at Port Arthur and 13 at Fort William which, with the annexes, have a total storage capacity of 144,795,210 bushels. There are only four of these houses equipped with mechanical dumpers.

"It is too late now to look in this direction for relief. According to the head of a Lakehead machinery company it takes about three months under the most favorable conditions to install such equipment.

"Some may ask why the mechanical dumpers were not installed long ago by the elevator companies. The answer is that in the lean years the elevator companies could not afford them. The cost of the machinery alone is $70,000, and the installation cost, while it varies greatly, according to structural changes necessary, averages $30,000.

"A crew of four operating a mechanical dumper can unload six cars of wheat an hour. A crew of four, operating hand shovels, has to work mighty hard to unload two in one hour."

Whatever the outcome of the congestion may be, western farmers are not unduly concerned over the situation. The guaranteed grain prices will prevent the producers from experiencing any real loss and the grain movement down the lakes will probably be sufficiently heavy that it will take care of any possible export demand which may be encountered during the winter months, particularly in view of the shortage of tonnage available for such food shipments.

Royal Pulp and Paper Buys Timber Limits

Halifax, N.S.—The purchase of the extensive tract of lumber of the Nova Scotia Timberlands Co. Limited, on the Yarmouth-Digby border, by the Royal Pulp and Paper Company of Saint John, N.B., has been confirmed by H. W. Bridges, manager of the former company.

Mr. Bridges pointed out that his company had been formerly controlled by American interests and stated that the new owners will cut timber on the property to be made into newsprint at their Saint John plant.

Shipbuilding Industry in Canada Attains Major Scale

Almost rivalling the aircraft industry in spectacular expansion during the war has been the shipbuilding industry. Established on a substantial scale during the war of 1914-1918, shipbuilding in the Dominion languished and practically moved into the limbo of forgotten activities shortly following the finish of that conflict. Dormant for approximately 20 years at the outbreak of the present war, the ravages of the U-Boat campaign and the need for exploitation of all possible sources of ship production, both fighting and merchant vessels resulted in revival of the industry during the second year of the war.

Today, together with those employed in the ancillary and component industries, employees in the shipbuilding industry in Canada totals in excess of 100,000, and the yards turn out virtually every type of craft afloat from a lifeboat to a destroyer. Production includes patrol boats, minesweepers, corvettes, frigates, several types of cargo ships, special purpose vessels, and an assortment of smaller craft.

The shipbuilding program of the Dominion is a major phase of the war effort of the United Nations. It contemplates an expenditure of more than $1 billion. To date, more than 1,000 ships have been delivered, including naval craft, cargo ships, and a variety of special-purpose vessels. In addition, many thousands of small craft have been completed. This production has come from a country in which shipbuilding has been dormant for more than 20 years and where, prior to the war, only nine berths were available for the construction of large vessels.

Towards the end of 1943, various changes were effected in the shipbuilding program. These will result in a slight decrease in the output of cargo ships during 1944. But this decline will be more than offset by the greater number of combat ships which will be built during the year, in spite of contract cancellations. The fighting ship schedule for 1944, both in tonnage and dollar value, far exceeds that of 1943. In addition, the naval yards will also produce large landing vessels each costing in the neighborhood of $1.5 million.

Spread Across Country

The Canadian shipbuilding industry is spread across the breadth of the land. Ships are being built thousands of miles from the sea—on the Great Lakes and on the St. Lawrence River. Components are being manufactured in more than 300 plants from coast to coast.

From 14 fairly large yards with limited facilities and about 15 smaller boatworks, at the outbreak of hostilities, the Canadian shipbuilding industry has grown to 25 major and 65 smaller yards. Existing yards have been greatly expanded and graving docks, piers, machine shops, marine railways, and a large floating drydock capable of berthing two seagoing vessels at one time, have been built for ship repairs. An efficient organization with all the necessary equipment for ship and cargo salvage also has been set up.

In the first quarter of 1940, some 4,000 men were engaged in the construction of vessels and small craft. By the end of 1940, 17,000 men were at work in the yards. Late in 1941, the total was 22,000. By the middle of 1942, it was 40,000, and by January, 1943, it had reached 50,000. The peak was attained in mid-summer, 1943, when more than 75,000 men and women were at work in all Canadian yards, exclusive of those employed in various contractors supplying components.

Eleven major shipyards, and four outfitting yards, are building fighting vessels. Five smaller yards are producing other types of steel vessels, including tugs, lighters, and oil tankers. Sixty smaller boatbuilding plants are turning out small craft. Eight large shipyards are delivering 10,000-ton cargo vessels, and four others, 4,700-ton freighters. Two of the latter turn out both combat ships and merchantmen. A few other major yards are busy on the Dominion's extensive repair program.

Canadian-built Ships

The following are the main types of ships being built in Canada:

Cargo Ships — 10,350-tons: Length, 441 feet. Beam, 57 feet. Depth, 37 feet. Draught, 27 feet. Deadweight, 10,350 tons. Engines, triple expansion, 2,500 h.p. Speed, loaded, 11 knots. Crew, 40, exclusive of gunners. Four types: North Sands, Victory, tankers, and Canadian.

4,700-tons: Length, 328 feet. Beam, 46½ feet. Depth, 25 feet. Draught, 20 feet. Deadweight, 4,700 long tons. Engines, triple expansion, 1,176 h.p. Speed, loaded, 10 knots.

Destroyer—Tribal class: Length, 377 feet. Beam, 37½ feet. Depth, 21½ feet. Displacement, 2,000 tons. Engines, turbine driven. Speed, 36½ knots. Armament: six 4.7-inch guns, two 4-inch guns, multiple pom-pom anti-aircraft mountings and several Hurricane guns; one set of quadruple torpedo tubes, controlled from bridge. Crew, 240 men, including 17 officers.

Frigate — Length, 307 feet. Beam, 38½ feet. Engines, triple expansion reciprocating. Twin screws. More powerfully armed, faster than the corvette, but details of armament and equipment are still secret.

Corvette — Length, 208 feet. Beam, 33 feet. Depth, 17½ feet. Displacement, 1,170 tons. Engine, triple expansion reciprocating. Single screw. Armament, one 4-inch gun, machine guns and depth charges. Operates over a wide area.

Algerine Minesweeper—Length, 225 feet. Beam, 35½ feet. Displacement, 1,000 tons. Engine, triple expansion reciprocating. Armament, naval gun and machine guns. Carries depth charges. Crew, more than 60 men. Employed for both escort work and minesweeping.

Fairmile Patrol Boat — Swift fighting craft, 112 feet in length. Wooden construction. Carries crew of 17. Powered by two gasoline motors. Armed with a naval gun, machine guns, and carries depth charges.

The other main types comprise: Two types of woodeen minesweepers both more than 100 feet long; 3,600-ton tankers, invasion ships, landing craft, invasion cargo barges, tugs and more than 100 types of other special-purpose vessels and small craft.

Naval Shipbuilding

The need for ships, particularly of the naval escort class, became manifest immediately after hostilities began in September, 1939. When the War Supply Board was created, a shipbuilding division was established to handle all matters pertaining to the procurement, repair, and conversion of vessels, barges, small boats and other craft for the Canadian and Allied governments.

When the Department of Munitions and Supply superseded the War Supply Board, in April, 1940, the shipbuilding division of the board became a branch of the new Department.

In 1939 the shipbuilding industry in Canada was practically non-existent. While there were a few shipyards capable of building fairly large vessels, no ships of the seagoing type had been built between the two wars. Records show that in 1935, a typical pre-war year, the Dominion was turning out only 4,336 tons of shipping annually and fewer than 4,000 men were employed in the yards. Canadian industry had never been called upon previously to supply machinery, auxiliaries, fittings and materials for naval ships.

By February, 1940, contracts had been awarded to 15 shipyards for 64 corvettes and 14 steam-driven minesweepers to cost $47 million. At the end of that year, 16 more corvettes and 50 more minesweepers had been ordered, increasing the commitments to $79 million.

Every possible source of labor was tapped to meet the pressing need for all the trades involved: Platelayers, blacksmiths, rivetters, welders, joiners, machinists, and so forth. Yards were hurriedly reconditioned and the technical staffs worked day and night to prepare for the job.

During the first stages, hull plates, channels, and angles had to be imported from United States steel mills. Ten keels were laid during February 1940, beginning a construction program without precedent in Canadian history. By the end of the year, 44 corvettes had been launched and 15 delivered, in addition to nine minesweepers launched, and more than 250 smaller craft delivered.

Steady Expansion

Month by month, Canada's shipbuilding program was extended. Early in 1941, contracts were placed for an additional 16 corvettes and 10 minesweepers similar in type to those under construction. By mid-summer, contracts had also been negotiated for 16 Western Isles minsweepers, and other types of ships. Then a new naval shipbuilding program was introduced involving the construction of improved single-screw corvettes, of frigates, and of a new type of larger minesweeper. A redistribution of work in the various naval yards was arranged, some being switched over to the cargo ship program then being initiated.

During 1941 the demand for naval vessels and merchant ships, together with the need for more extensive repairing and refitting facilities, became so pressing that it was deemed advisable to set up separate agencies for each activity. Thus, the Shipbuilding Branch was relieved of two programs; a Crown Company, Wartime Merchant Shipping Limited, was formed to control the building of merchant ships, and a separate Controller of Ship Repairs and Salvage was appointed.

From then on, the Naval Shipbuilding Branch took charge of all naval vessel construction in Canada, other than the destroyer program; all non-naval shipbuilding with the exception of merchant shipbuilding; the construction of miscellaneous craft such as small boats, barges, landing or assault boats, and bridge pontoons; the purchase and chartering of existing vessels and negotiation of compensation for such vessels; capital assistance for any of the foregoing purposes; the administration of the emergency ship repair agreement, and the negotiation of an occasional repair or conversion agreement normally outside of its scope.

With the fame already won by the corvette to spur them ahead, Canadian naval shipbuilders had now added the frigate and the algerine to the line of escort ships under construction. These are much larger, faster, and more powerful than the corvette and the original steel minesweepers turned out in Canadian yards. Frigates are more than 300 feet long, compared to the corvette's 208 feet. They are more heavily engined and armed. Their construction requires much more craftsmanship than cargo vessels, which are turned out more or less on a mass production basis. And frigate engine and boilers are built to provide double the power required in the larger merchant vessels.

Building Capacity Increased

To implement the naval shipbuilding program itself, the building capacity of each yard was increased in some instances by extending the number of building berths and adding new plant, and in others merely by the addition of new plant. Capital assistance amounting to $7.5 million was provided for these extensions. A new type of contract, on the basis of cost plus a fixed fee per ship, was arranged to stimulate production. Training schools for improving the efficiency of shipyard employees were opened, and organizations set up to improve technical and engineering methods. Thus, naval shipbuilding continued to increase rapidly.

In shipbuilding, as in other major war production programs, 1943 was a year of records. During the last quarter of the year alone, 12 frigates, eight algerines, nine corvettes, nine patrol vessels, and three wooden minesweepers were delivered.

A red letter day in Canada's shipbuilding history was September 18, 1943, when twelve vessels were launched in Canadian yards, comprising the Tribal destroyer, H.M.C.S. Mic Mac; two frigates, a corvette, an algerine, a patrol vessel, a tanker, two large freighters, and three other utility vessels.

To the end of 1943, Canadian naval yards had delivered 26 frigates, 104 corvettes, 91 steel minesweepers, 34 wooden minesweeper, and 77 Fairmile patrol boats, a total of 332 combat ships completed out of 400 launched. In addition, 24 motor torpedo boats had been built.

The total value of steel combat vessels delivered in 1943 was in excess of $70 million, an increase of 75 per cent over 1942. In 1943, the emphasis switched from corvettes and small steel minesweepers to the larger, more efficient, and costlier frigates and algerines. In the wooden combat ship program 40 patrol vessels and minesweepers were delivered.

The production of combat craft, however, is not the only achievement. Scores of smaller shipyards and boatworks are turning out wooden and steel craft for every imaginable purpose. Ship deliveries in 1943 included 44 tugs and two 168-foot auxiliary tankers. The program for 1944 calls for the delivery of six 3,600-ton tankers and more than 100 tugs.

Of a wide variety of special-purpose vessels on order, more than 40 had been delivered by the end of 1943. These included base and supply ships, concrete and wooden gate vessels, a floating dry dock, steel and wooden derrick scows, as well as ammunition and store lighters, transport and salvage barges, salvage and supply vessels, steel water tanks, tenders, target towing vessels, and large railway barges. These special craft range from 75 to more than 150 feet in length.

The production of medium-size landing craft is very large. To date 800 of these craft have been delivered.

Of more than 4,000 other small craft, with or without power, on the shipbuilding program, 75 per cent have been delivered. These include a surprising variety of all types such as dinghies of several lengths, cutters, whalers, lifeboats, pontoons, and assault boats.

By the middle of 1943, Canadian shipyards were launching 12 cargo vessels per month. By the end of the year a total of 219 large and 13 smaller freighters had been delivered. Cargo ships on order, under construction, or delivered, total 374, of which 36 only are 4,700-ton ships.

Capital assistance was provided where necessary to speed up the program, both for yards which required it, and for some of the component manufacturers.

B.C. MINE LABOR CUT 50 PER CENT

Fourteen Mines Close Since 1941 — Gold Down 60 P.C., Silver 78, Copper 49

Vancouver. — Manpower in British Columbia mines has fallen to just over half the supply available in July, 1942, according to compilations made for the Mining Association by C. M. Campbell.

Fourteen mines have ben closed since 1941, his figures disclosed, and there are now nine gold mines, one silver, two copper and seven other base metals mines in his compilation.

Total labor shifts have fallen from 178,815 to 95,802. The 1942 shifts were equivalent to the work of 7,152. By the end of June this had fallen to the equivalent of 3,733 men. In July there was a net increase of 99 men.

Gold mines are down 60 per cent, silver 78, copper 49 and other base metals 7.

Of mines now operating, Bralorne has lost 50 per cent of its manpower, Cariboo Gold Quartz 70 per cent, Hedley-Mascot 13, Island Mountain 67, Nickel Plate 21, Kootenay Belle 98, Pioneer 69, Sheep Creek 60 and Silbak Premier 53.

Highland Bell Silver Mine has lost 78 per cent. Britannia 44, Granby 53, Base Metals 43, Sullivan Mill 11.

Zincton manpower has risen 5 per cent and Sullivan Mine 7.

In July there were declines in gold, silver and copper mines, but Sullivan and Zincton increases brought up the total slightly.

"Coal mines," he said, "have dropped off about 10 per cent from the peak."

More Lime Used in N.S.

Halifax — Present indications are that at least 50,000 tons of agricultural lime will be used in Nova Scotia this year. This amount, while short of the estimated 65,000 to 75,000 tons needed for soil correction is well above the amount used in any previous year. Shipments in the year 1943 totalled 35,159 tons and constituted a record.

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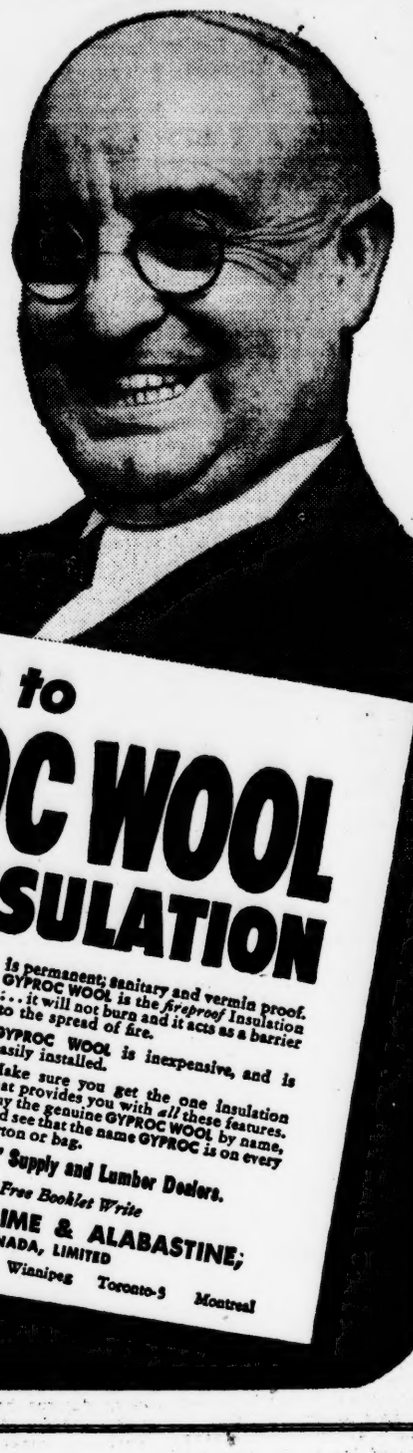

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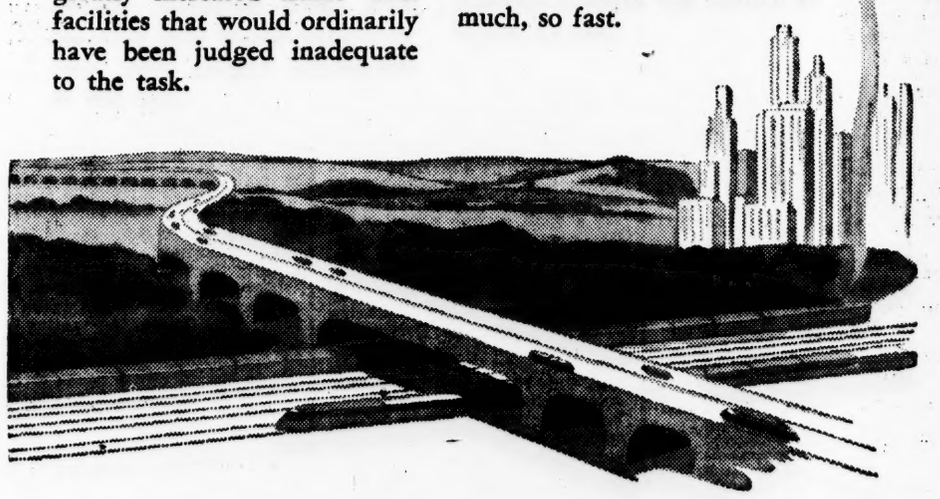
CANADA'S TRANSPORT PIONEERS BUILDED WELL

Canada's wartime transportation job has been phenomenal. Look at the record.

In 1943, as against 1939, car loadings reached 135 million tons—up 58.82%; transit passengers totalled 1,221 million, up 89.59%; busses carried 52 million, an increase of 36.53%; 302,000 people, or 94.83% more, travelled by air.

These figures are the more impressive when the difficulties of wartime operation are recalled. Management and personnel have had to solve innumerable problems, to handle greatly increased traffic with facilities that would ordinarily have been judged inadequate to the task.

Canada's transport pioneers — of rail, highway, water, and air—made these achievements possible. These men of vision and enterprise built, through trackless wilderness, the rails that opened Canada for Canadians. They developed the shipping on Canada's important waterways. They pioneered the Northern Skyways to create the greatest air freight traffic in the world. Thus the impelling urge of free competition built — and built well — the solid foundation of the transportation network on which wartime Canada has moved so much, so fast.



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89 YEARS OF BANKING SERVICE TO CANADA'S MEN OF VISION

WPB HEAD WARNS OF NECESSITY FOR CAUTIOUS BUYING

In Announcing Lifting of Some Controls, Says Inflation Remains a Threat

CANCEL METAL ORDERS

Self-restraint on Part of Consumer Still Needed if More Serious Shortages To Be Avoided.

Toronto—Donald Gordon, chairman of the Wartime Prices and Trade Board, announced this week the removal of a number of orders restricting the use of metals. At the same time however, he gave warning that many regulations, including price controls, would, for some time at least, be retained.

No one, he said, addressing the members of the Canadian Club here, should jump to the conclusion that the board planned or thought possible the immediate release of all wartime controls.

Mr. Gordon stressed particularly that basic grounds for potential inflation still existed.

"We may well be in for a trickle of production of many articles", he declared, "which have been scarce or off the market, with keen competition for early supply backed by accumulated purchasing power".

Danger of a general price upturn might be of short duration, stated the chairman, but added that in his opinion it constituted a definite hazard in early transition stages.

"In deciding its decontrol measures the Board must assume that expansion of civilian output will take place within the framework of a system which relies mainly upon private enterprise to provide production and employment.

Must Develop Plans

"Industry must now proceed vigorously to develop and implement its plans for turning its swords into plowshares, for providing jobs for the hundreds of thousands of people who will one day cease to produce supplies and munitions of war."

While most of the orders involving important use of metals and components still required in the war program are being maintained, 14 orders restricting or prohibiting the manufacture of a wide range of metal goods and 53 standardization orders are being immediately rescinded, Mr. Gordon said.

Announcement of the lifting of these restrictions was announced simultaneously in Ottawa.

Mr. Gordon said manufacture of the goods on which restrictions were being lifted could be resumed only as materials and labor became available in excess of more essential demands. The Board would not ask for allocation of materials or labor for these goods.

The basic 1941 prices would have to be observed for goods returning to the market and new goods for which there was no basic period price would have to observe price levels which would have been appropriate had they been sold in the fall of 1941.

No General Relaxation

Gradual easing of the controls was not to be interpreted as an indication the time had arrived for general relaxation of the war effort.

At this stage war production and essential civilian needs must continue to get, and will get, prior claim on all necessary materials and labor", he said. "But we should be shortsighted if we did not look ahead or if we postponed for one moment longer than necessary the removal of regulations which might impede the transition from war to peace.

"If, without hurting the war effort, the supply of civilian goods can be increased, then the pressure on prices can be relieved and if we can keep prices stable we can build a foundation for the healthy and orderly reconstruction and rehabilitation of our peacetime economy".

With the defeat of Germany there would be general cancellation of practically all of the Board's remaining controls over production of end products made of metal, including those which require imported components, he said. In the meantime the Board would continue to collaborate with the Munitions department and Wartime Industries Control Board to revoke orders as quickly as the needs of war justified.

The chairman had a word on the suggestion that some restrictions should be retained to prevent what has been described as wasteful competitive practices.

Dictated By Emergencies

"The Board takes the view," he said, "that its activities in this field are dictated by the emergency conditions of a wartime economy and that it is not appropriate for the Board to continue any orders or regulations which have the effect of restricting competition when the emergency conditions have passed."

"On the contrary the interests of the people of Canada will be seriously prejudiced unless the Board clears away as soon as justifiable all regulations which might prevent civilian production from taking up the slack when war production begins to decline."

The Board recognized a responsibility to see that production was adequate and distribution fair in essential goods still in short supply. Thus supplies of textiles would be kept as high as possible, and steps would be taken to continue to arrange production of such goods as agricultural machinery, washing machines, hospital equipment and certain types of household equipment.

Retooling and reorganization would take time and this, coupled with material and labor shortages would mean some goods would be in short supply for some time.

"It is, therefore, still a time for self-restraint and careful buying on the part of the consuming public", he said. "To get through this fall and winter without inconvenience and hardship caused by shortages of this and that, it is up to us all not to buy more than we need and not to expect the impossible with respect to the supply of various goods and services. If people buy more than they need for their current requirements they may be preventing others from getting what they actually need".

1944 Amendments to Income and Excess Profits Tax Acts

Exchequer Court Judgment regarding Subsidy Payments

Current Accounting Literature

The above are features in

THE CANADIAN CHARTERED ACCOUNTANT

ISSUE OF SEPTEMBER 1944

35c per copy. $3.00 per year.

10 Adelaide Street East
Toronto 1, Ontario

The Ottawa Blotter

Removal of restrictive and standardization orders imposed by the Prices Board on a wide range of metal articles and some other products have been announced by H. H. Foreman, co-ordinator of capital equipment and durable goods.

Mr. Foreman's announcement came simultaneously with a statement by Donald Gordon, Prices Board chairman, in the course of an address delivered in Toronto, that the Board proposed removing restrictions as rapidly as conditions allow.

Orders which prohibited or restricted manufacture and which have been lifted apply to: steel drums, silver plated holoware, steel shaft sport goods, humidifiers, small electrical appliances, identification tags, elevators, incandescent lighting fixtures, wheelbarrows, bathtubs, upholstered bedding, metal furniture, and eavestrough.

Orders which standardized and simplified manufacturing processes which are cancelled apply to: heating, plumbing and air conditioning supplies, cast iron soil pipe range boilers, jewelry, steel tanks, shovels, axes, baby carriages, bolts, screws rivets, storage batteries, jewelry trade practices, flexible cord, stokers, cast iron ware, registers and grills, typewriter ribbon and carbon paper, writing ink, agricultural hand tools, pumps, jewelry, designs, hair and bob pins, builders 'hardware, barbed wire.

Furniture, caskets, asbestos products, electric tape, wooden venitian blinds, wooden penholders, and pencils and electric lamps.

The board's announcement quoted Mr. Gordon's Toronto address in which he said removal of the restrictions did not carry with it any priority assistance for materials or labor.

* * *

Selling War Trucks

The War Assets Corporation, government corporation set up to dispose of surplus war assets, is selling 68 used civilian-type trucks in Winnipeg, J.B. Carswell, president of the corporation, announces.

Similar sales, Mr. Carswell stated, have been held at Kingston and London in Ontario, at Debert, N.S., and in Calgary and Regina. Further sales are to be held in Montreal, Toronto, Quebec, Vancouver and other cities.

Dealers are paying a fixed price for these vehicles in the sales, said Mr. Carswell, and are empowered to add a fixed average price for overhaul, with the trucks to be sold to the public below the ceiling price. No truck which has been declared surplus has remained unsold to date.

* * *

Ralph Bell Resigns

Announcement was made this week of the resignation of Ralph P. Bell as Director-General of the Aircraft Production Branch of the Department of Munitions and Supply.

Simultaneously with Mr. Bell leaving the department Oct. 1, the branch will be disbanded, with a Crown company, Federal Aircraft Ltd. of Montreal, taking over production, overhaul, repair and other administrative functions of the branch. Purchasing will be handled by the general purchasing branch of the department.

While Mr. Bell leaves the department Oct. 1, his services are to continue to be available in a consultative capacity until Jan. 1. With Mr. Bell's resignation, W. A. Newman, president of Federal Aircraft, becomes the active head of the Canadian aircraft production program.

* * *

Sugar, Butter Short

Naval, Military and Air Force stations across Canada have been advised to "go easy on butter and sugar" in a general order issued this week.

The order said supply of butter and sugar in Canada is critical, with little prospect of relief in the near future.

In a telegram to Toronto officials today, Donald Gordon, Prices Board chairman, said Canada faced the possibility of a cut in the sugar ration. He said nothing about butter, but officials said an expected shortage would be seasonal.

Service supply officials did not estimate how many tons of butter and sugar Canadian servicemen an women use.

HEAV YCLAIMS RECORDINGS

Toronto. — In the first six months of the year mining claims recorded in Ontario numbered 5,570, an increase of 3,770 over last year.

Industrial Activity Falls Off

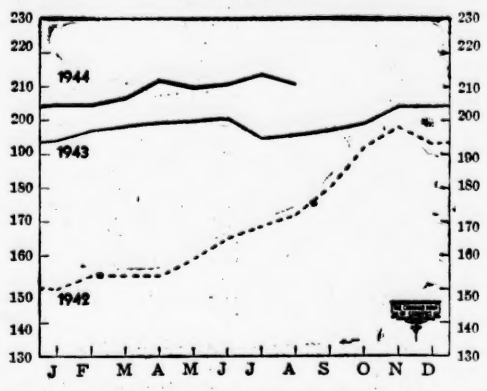
A general decline, affecting most branches of manufacturing, is recorded by the index of industrial activity of The Canadian Bank of Commerce, which fell from 224 at mid-July to 221 at mid-August (1937=100), while the percentage of factory capacity utilized fell from 125 to 123. The food and clothing groups were both slightly lower; many textile mills, among others, were closed altogether for a period to allow all employees to take their summer vacation at one time. The wood products and pulp and paper groups were again more active, although less so than a year ago. The automotive and steel groups received, heavy industries recording a net decline for the first time this year. The non-ferrous metal trades also were less active.

The following table gives details for groups of industries in August as compared with the month and the year previous:

	% General 1937 Activity		
	July '44	Aug. '44	Aug. '43
Food, Drink and Tobacco	156	153	147
Clothing (Textiles, Shoes)	135	133	135
*Pulp and Paper	89	90	95
Wood Products	111	116	126
Automotive Products	181	172	183
Iron and Steel Trades	466	462	400
Heavy	707	699	527
Medium	288	283	299
Light	221	228	258
Non-Ferrous Metal Prod.	196	192	198
Non-Metallic Mineral Products	168	168	168
Chemicals	132	132	126
Miscellaneous	117	122	126
Composite Index	224	221	206

* Includes miscellaneous pulp and paper products. Newsprint Association of Canada reports July production of newsprint only at 68.7 per cent. of capacity.

Index of Canadian Industrial Activity
(1937 equal 100)



The wage payroll index fell from 222 (revised) in June to 212 in July, compared with 226 in July 1943 (1937=100). The decline extended to almost all major branches of industrial employment. Part of this was due to the pre-payment in the previous month of wages to cover holidays taken in July, but it is obvious that for some months past the trend of payrolls has been downward.

U.S. AIRLINES BUY DOUGLAS AIRCRAFT

Three Leading Air Transport Companies Place Orders For 93 DC-6's

New York—Orders for 93 new high-speed, four-engined air liners have been placed with the Douglas Aircraft Company by three of the world's largest airlines at a meeting in New York City.

Signing of the contracts marked the first large-scale, concerted move to provide domestic and international airways with sky giants in the immediate post-war period.

The total cost of the planes will exceed $50,000,000.

Only recently announcement was made in Canada by Trans-Canada Air Lines, government-owned system, of the placing of an order for 50 DC-4's.

The contracts were placed by American Airlines, Pan American-Grace and United Air Lines. They called for delivery of 25 Douglas DC-4s and 30 Douglas DC-6s to American, three DC-6s to Pan American-Grace, and 15 DC-4s plus 20 DC-6s to United.

Under discussion, but not ready for signature, are additional contracts with Eastern Airlines, one of the original four lines which had these planes on order before the war, and other large operators in the United States and abroad.

United Air Lines announced that within a week it would sign contracts for an additional 15 DC-6s, making a total of 50 four-engined planes in all for this company. This will make the total to be placed into production by Douglas in excess of 100. American also expects to order additional four-engined Douglas planes shortly, that company announced.

Quebec Hydro Montreal Disagree On Assessment

A difference of opinion amounting to about $8,000,000 in the evaluation of the former property of Montreal Light Heat and Power Consolidated, now operated by the Quebec Hydro is expected to be settled "in a friendly manner" between the province and the city if the municipal executive committee can reach a decision on the matter, it was reported unofficially.

The Board of Assessors, an independent civic body whose findings may be reversed only by the courts, listed the valuation of the company for municipal tax purposes at $14,000,000. The Quebec Electric-Hydro Commission a few years ago set the amount of taxable property at $6,000,000. In view of the change in municipal revenue the city administration has attempted to make the new assessment value reached by its board stand.

The company, and now, the Hydro, have the increased assessment value before the courts but all parties concerned are anxious to settle out of court, it was stated. In its expropriation act the Legislature which at that time was headed by ex-Premier Adelard Godbout, ruled that the assessment of 1943-44 for the Hydro properties should stand for the next 20 years. The court appeal followed by attempts to settle the matter out of court is an outgrowth of the behind the scenes battle for the control of the company at the lowest possible cost, a city official stated.

Dominion Coal Output Off Slightly In August

The two colleries of Dominion Coal Company, established a better production record during August than in July when the total was down 54,596 tons from a year ago. The August output of 279, 176 tons was off only 2,616 tons from August a year ago.

During the first seven months of the year, output was down 109,408 tons, so that the slight decline in August brought the decrease to 112,029 tons, at 2,399,825 tons.

Copper Production In Canada Shows Decline

Ottawa—Production of copper in Canada during month of July amounted to 45,585,045 pounds compared with 47,747,056 in the previous month and 47,354,190 in the corresponding month last year, according to figures published by the Dominion Bureau of Statistics.

During the first seven months of this year production aggregated 332,304,806 pounds compared with 342,319,959 in the same period of 1943.

The Financial Times reaches a class of people who are interested in and able to buy investment securities.

HIGHER NET FOR BLUE RIBBON ON LOWER PROFITS

Gain in Sales Offset by Increased costs Cut Tax Reduction Helps Earnings

66c ON COMMON

Toronto—Blue Ribbon Corporation Ltd. and subsidiaries (Pure Gold Manufacturing Co., Ltd., and Willard Chocolates Ltd.) report for fiscal year ended June 30th, 1944, operating profit down at $357,545 from $474,175 in preceding year. Decline in profits was in face of an expansion in sales during period under review and is accounted for by a reduction in margin of profit resulting from higher cost of raw materials with ceiling on selling prices.

Deductions for latest year, however, were lower than for previous year—depreciation down over $21,000 at $66,097 and income and E.P. tax reserve off about $137,500 at $145,552—and, although $29,000 was appropriated for inventory reserve net earnings for fiscal period under review showed a moderate improvement at $116,896 equal after preferred dividends to 66 cents a share on outstanding common stock of corporation as against $104,066, equal to 46 cents a share on common for year before.

Balance sheet shows an improvement in net working capital to $1,359,359 from $1,269,931 as at June 30th, 1943. Current assets increased during year by nearly $200,000 to $2,360,250 while current liabilities are shown about $110,000 higher at $1,000,891.

Cash is shown down at $106,036 from $189,523 and holdings of Dominion bonds down at $71,700 from $81,250 but receivables are $56,000 higher at $533,779 and inventories are up $236,000 at $1,648,735. Among liabilities, bank advances are up at $682,530 from $402,530; payables are down about $33,000 at $256,880, while tax provision is down at $61,481 from $198,991. Earned surplus increased to $415,409 from $373,138 and deferred surplus, refundable portion of E.P. tax to $43,999 from $36,105.

In presenting report on behalf of directors, J. Ball, president, says in part: "Rationing of more of our lines continues, but rationing of tea and coffee was relaxed somewhat on May 1st, yet not in time to show much improvement during the year just closed. However, the increased quantity allowed for consumption should help considerably in the future.

Taxes, rationing, loss of experienced help, and shortage of certain goods continue. Nevertheless the companies are operated to best advantage under present difficult conditions".

Seiberling Rubber Co. Financing Extensions

Toronto — R. J. Thomas, president of Seiberling Rubber Company of Canada announced that the company is carrying out additions and improvements to plant and equipment to satisfy demands for peacetime products. Goods produced for war purposes are essentially similar to peacetime products, and it is expected the change-over can be effected without any undue lag in production.

Net profit of the company for the eight months ended June 30, 1944, amounted to $45,639.

Public offering is being made of an issue of $500,000 of first mortgage 3½% serial and 5% 15-year sinking fund bonds.

ALTA HONEY OUTPUT

Edmonton — Beekeepers in Alberta, numbering 7,500 report sales of honey last year valued at $573,800 (including wax). The 42,800 colonies produced 3,800,000 pounds.

ASSUMING YOU HAVE EXECUTED A WILL . . . SHOULD IT NOT BE REVISED?

Was your Will made some time ago? Have later events rendered your Will unsuited to your family situation? Have declines in property and security values affected your bequests and the interests of your residuary legatees?

Is it not the part of wisdom to review your Will with your Attorney or Notary and, if necessary, have him modify the document to conform with your wishes in the present circumstances?

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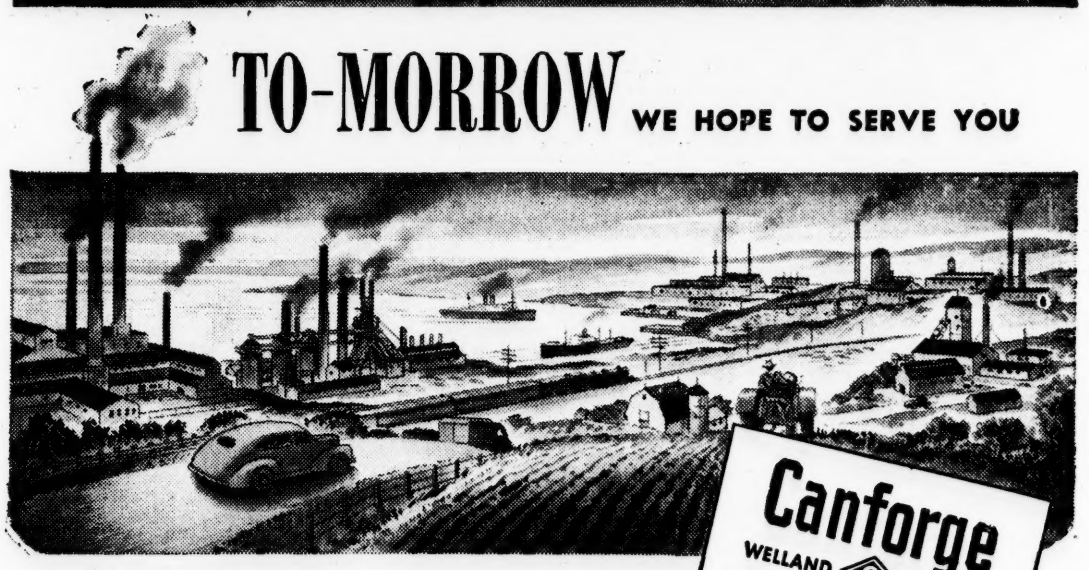

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MONTREAL, FRIDAY, SEPTEMBER 15, 1944

Canada's Great Production Job

SINCE establishment of the Department of Munitions and Supply during the early days of the war, the story of the operations of the department has been told periodically in a publication issued by the department under the title of "The Industrial Front." The fifth edition of this publication, dealing with the work of the department up until the end of 1943, which has just been made available, is more ambitious than its predecessors; it traces the history of the department since its inception and points to the fact that, in the centralized purchasing operations of the department for all arms of the fighting services, it has no parallel in any other country among the United Nations.

The story told by this latest issue of "The Industrial Front is well told; and what a story of achievement it is! Whatever one's views on the war record of the King government may be, it is difficult to withhold praise for the Department of Munitions and Supplies for the tremendous and efficient job it has carried out. Scope of operations is indicated by the fact that, up to the end of last year, it had placed contracts for goods and materials—including plant construction and plant expansion—to an aggregate value of close to eight billion dollars. Of this total, orders placed in Canada were valued at about six billion three hundred and sixty million dollars. Not all of this money was spent on armaments and munitions, of course, the department being responsible for filling the requirements of the three armed services for food, clothing and equipment. Also under its jurisdiction came construction of government owned plants for production of armaments, munitions and explosives; of airfields and air-training schools and of shipyards.

From the beginning of the war until the end of 1943, war production in Canada—for which the Department of Munitions and Supply had full responsibility—included the following: aircraft, 10,517; motorized vehicles, 587,000; big guns, including mountings and carriages, 83,150; small arms, including machine guns, 933,400; heavy ammunition, 59,200,000 rounds plus 38,761,000 empty cases for export and 2,246,750 empty shells for export; small arms ammunition, 3,202 million rounds; chemicals and explosives, 1,088,500 tons; cargo vessels, 232 with total tonnage of 2,326,700 tons; naval vessels and patrol boats, 356 and other vessels and special purposes craft, 482. Production of instruments and communications equipment was valued at 264 million dollars.

These figures in themselves represent a remarkable achievement when it is considered that Canada, generally speaking was untrained in the art of war production prior to 1939. The job was rendered materially more difficult by the fact that the huge production figures do not constitute a record of steady and uninterrupted output. In most lines of armaments and munitions requirements were subject to periodical change as research and experience called for development of new and advanced types of aircraft, tanks, guns and machine guns, and ammunition. These changes meant serious interference with production programs and demanded extensive retooling of plants from time to time.

"The Industrial Front" should be read by all Canadians in every walk of life. If it were it would inevitably lead to a much greater appreciation of Canada's war production effort and the part it has played in the fight against the destructive forces of Nazism.

What Happened to the U-Boats

NOT a great deal has been said about the practical disappearance of the German U-boats as a serious factor in the war. It is not so many months ago that they were considered perhaps the greatest menace with which the Allies had to contend — a threat to the life lines of the Allied campaign, between America and Great Britain. Not only did Hitler's submarines fail to seriously interfere with the great armada which made possible the invasion of Normandy, but transportation of supplies across the Atlantic has been restored to a condition approaching normalcy and this has been highly important in the maintenance of trading relations between America and the Old World as well as permitting the free delivery of war materials.

Information has now passed the British censors which indicates that the failure of the U-boats to interrupt the Normandy invasion was not due to the enemy's reluctance to enter the shallow restricted waters of the English channel. On the contrary it appears that efforts to disrupt invasion plans was responsible for one disapearance of the submarines from the Atlantic, and that their failure to create havoc in the channel was due to the fact that the Allied forces were fully ready for them.

Failure of the U-boats to get into the Channel, where they could have created perhaps disastrous damage to the hundreds of transports gathered there preliminary to the invasion, was largely due to the activities of the Coastal Command of the Royal Air Force. The technique employed had been well developed as the result of actual war experience. U-boats are difficult to locate in the open sea, but a surface passage in the restricted areas of the approaches to a port lay [illegible] attack by air forces, not only by day, but also since the development of the Leigh light, by night. And when, no longer able to face unceasing attacks by air, they seek safety in diving, a call to the hunting flotillas of the Navy brings them on the scene to carry on the attack with the equally deadly deep depth charge.

Thus the evidence is that the Atlantic U-boats lost so heavily in the attempt to reach the Channel approaches that they not only failed to interfere with the invasion but they have since ceased to be a serious menace to shipping in the Atlantic. And apparently the bombardment of home bases by both naval and air forces has prevented the launching of new craft to take the place of those lost. Of course the protection of convoys has been maintained but all indications are that the U-boat has ceased to be a serious menace to trans-Atlantic shipping.

Bring Labor Disputes Over The Open

WHEN will the labor disputes be dealt with in open court, where the public will be represented by counsel with authority to cross-examine both parties and to have access to all documents relating to the dispute? Each side, of course, blames the other, but there are few strikes where the fault is all on one side when the dispute reaches the breaking point.

It is public opinion, in the long run, which decides, but, for some reason, those in authority insist on holding all investigations in camera. There may be some political reason for this, of course, but the practical result is that the decisions handed down seem to be only one more halt, and a temporary one, on the road to another dispute. Why not insist on these disputes being argued in the open, so that all the facts may be known? The public pays in any event, and there is a rule that he who pays the piper, calls the time!

The public is not interested in seeing that the heads of those involved save face! Its sole concern is justice for all, and the best way to insure this is by an open investigation, which will bring out all the facts.

A correspondent tells of two strikes with which he had experience; they practically killed the community. This was some years ago, but the real reasons for these strikes have never been divulged. They would never have occurred, if it had been known that an open investigation would have been held. In one case one of the companies would not have dared face an enquiry, and in the other, the Union heads would have been in the same position. In both cases the warring factions appeared to take the position "the public be damned," and the authorities did not have the guts to act. True, a representative of the powers that be did come, with a great flourish of trumpets, to settle the strike in one case, but both sides ignored him. The strange part of it all was however, that the government man appeared to be very much put out, when he was told certain facts, which were not public knowledge, and, in fact, denied them very heatedly as he seemed to think that, if they were known to the world at large, it would have interfered with his mission of conciliation.

Strikes can only mean loss to all concerned—employers, workers and the community. In the end they must be settled by negotiation. Nothing is gained by suspending production or service in the meantime. And if disputes are argued in open court the chances are that settlements will be quickly reached if, in fact, they ever reach that stage when the threat of publicity is present.

Curt Comments on Current Events

So now Rumania is an ally. How nice!

* * *

King Leopold probably realizes by now—if he has not done so for a considerable time—that he could have done more for his country in exile than he has been able to do as a prisoner.

* * *

As the U-boats were rendered ineffective, so have the robots been abolished from the war scene as a real menace. In war, as in chess, it would seem to be a case of "mate" and "check-mate" or, in American slang, "check" and "double-check."

* * *

Emigrants who come to Canada because of political or economic conditions in their homelands are likely to make better citizens than those who may come because of special inducements. In brief, because they want to come and not because we want them to come.

* * *

The British Labour Party is reported to be considering support of the National government after the fall of Germany—until Japan has been finished with at least. Which only goes to show once more that British labor knows on which side its bread is buttered.

* * *

We must admit we were worrying for a little while as to whether Mr. Roosevelt would be returned to office. Judging by the latest fulmination of the New York Daily News in which Mr. Churchill is represented as having visited this continent to lend his support to the President, however, our fears were unfounded.

* * *

One of those polls which seem to hold such a popular appeal these days, indicates that the greatest hardship that has been suffered by the American public, owing to the war, has been the shortage of nylon stockings—girdles, fancy shoes and refrigerators follow in that order. Mr. Hitler is informed of this terrible situation.

* * *

When the real campaign against Japan starts we imagine that Stalin will be "in there" with Churchill and Roosevelt—even if he isn't at Quebec. Remember that licking the Russians took from the Japs? The Americans say "Remember the Maine" and "Remember Pearl Harbor" and the British have too many remembrances to detail—but the Russians, even with so many tragedies of this war to recall, are not likely to forget "Port Arthur".

* * *

One of the Canadian newspaper correspondents attending the Quebec conference, guesses that one of the chief objectives is, now the war against the Nazis has virtually been won, the formulation of measures to see that fascism does not raise its ugly head elsewhere. Sounds feasible, but, when he goes on to mention the province of Quebec as one of the danger spots—and, incidentally, omits any mention of Argentina—he seems to wander pretty far astray.

The British Excess Profits Tax In Operation

Special Correspondence to The London Times

IT IS sometimes assumed that the excess profits tax has prevented the making of excessive profits; that it has taken the profit out of war. That, of course, is not the case. What the tax does is to prevent all engaged in trade and business from making a profit in excess of the most they made in 1935, in 1936, or in an average of either of those years taken with 1937. The broad effect of E.P.T. at 100 per cent is not that of ensuring, that no one makes much profit in war-time; it is, rather, that of fixing a ceiling for profits at pre-war levels.

Taking industry by and large, the years 1935 to 1937 were relatively prosperous. But they were by no means so in all cases; nor, where prosperity existed, was there any uniformity about it. Consequently there is a great deal of inequality in the amount of profit different businesses are now permitted to make. If the sun chanced to shine on a firm in those years, then it can make hay out of the war to the same extent. But if the sun did not shine on it at that time (and there may have been good reasons why it did not do so), then the profit it can earn now is restricted to the little it earned then, or to a low percentage on the capital employed — and these variations are quite irrespective of the relative importance to the nation of the work now being done by the firms concerned. Thus, it is not a question of merit, nor of fairness, but of luck.

* * *

Moreover, since taxation in this country is assessed neither on the type of product nor on the industrial unit, there is much inequality of treatment between different factories. By way of illustration, take the case of four factories, two in an industry making excess profits and two in another which is not so profitable as before the war; a multiple company owns one factory in each industry, the other two factories being single-unit companies on their own. The single-unit company in the profitable industry pays E.P.T. on its excess profit, while the corresponding company in the unprofitable industry gets no relief for not earning up to its pre-war level. The multiple company may even pay no E.P.T. at all, because it can set off its excess profit from the profitable factory against the reduced profit of the other. Thus, the amount of tax paid to the Exchequer by the multiple company may be less than the total tax paid by the two single-unit companies —not because the profits of the former are necessarily any lower than the combined profits of the latter, but because tax is levied on the legal entity.

Still greater inequalities of treatment appear when one compares the fate of new business (i.e. business started since July 1, 1936) with that of those existing before that date. These new businesses have no profit standard by which to measure any excess. Accordingly, they are given an artificial standard equivalent to 8 per cent (10 per cent if director-controlled) of the average capital employed during the year in question; and new businesses are tied down to these rates, while old businesses are allowed to earn as much as they happened to be earning in the years 1935 to 1937.

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If the object of E.P.T. had been equality of maximum reward, it would have been necessary to relate the level of permissible war profits to a uniform percentage on capital employed for all businesses, old and new, successful and unsuccessful. But E.P.T. pretends neither to prevent excess profits nor to establish social justice in the matter of the reward for the use of capital; it merely limits that reward to when it was in three particular pre-war years. Public opinion in war-time has, on the whole, accepted this rough-and-ready principle; and most criticism has been directed, not at the tax itself, but at the expediency of fixing the rate at 100 per cent. Criticism has taken several forms.

First of all, there is the undoubted hardship caused by the difference between the Inland Revenue and the ordinary commercial methods of calculating profit of a business, the Inland Revenue disallow certain items of expense which an accountant would consider it necessary to charge off before arriving at a figure of commercial profit. Consequently, taxable profit is almost always a higher figure than commercial profit. Now, that may not matter very much when the rate of tax is 7s. 6d. or 10s in the pound; it may merely mean that the effective rate of tax is actually 8s. 3d. or 11s. in the pound. But when the rate of tax is 100 per cent, then it means that more than the excess profit actually earned is being taken by the Treasury.

The Canadian Excess Profits Tax is based on profits for the years 1936, 1937, 1938 and 1939. Where a business may have been depressed during this period a standard of profits may be set at a return of not less than 5 per cent nor more than 10 per cent of the capital employed. Later amendments provide that losses in any year may be charged back one year or forward three years, double depreciation on new capital after a certain date and rapid depreciation on new assets.

Secondly, as long as all excess profits are being withdrawn, it may be said that war industry is being drained of all resources needed to meet terminal losses at the end of the war—e.g., costs of re-conversion to a normal peacetime basis, and the fall in value of stocks remaining in the hands of a manufacturer where the stock was bought or made by him solely for war purposes. No doubt legislative provision will be made for this kind of thing in due course. In fact, the Chancelor has already said that he has the point in mind; and it would hardly be suitable to attempt to deal with it now, when all the circumstances cannot be foreseen.

In the meantime, to meet part of these criticisms, a promise was made in the early days of the tax to repay after the war 20 per cent of the E.P.T. actually paid. This promised repayment is not really tantamount to a reduction in the rate of tax, since, according to the present intention it is not to be available for distribution as dividend. Yet, by that very provision, it opens the door for still further inequalities of treatment. For, while it gives both old and new companies paying E.P.T. something of a fund to assist them with post-war readjustment, it does so blindly, in an arbitrary manner, and without reference to actual needs. Moreover, it ignores the claim for similar assistance by those who for one reason or another have not been paying E.P.T. It is difficult to avoid the conclu-

(Continued on Page 7)

EDITORIAL FORUM

"The Devil to Pay"

Without price control there would be the devil to pay later on when prices started slipping and small store merchants would have to write off losses as a result of the almost day by day markdowns that would automatically follow. Price and distribution control might appear irksome to some people but it is like the general merchant who is patient with his customers and assists them in ther rationing problems, both come up with a smile.
—Huntingdon Gleaner.

Only So Much

Wealth can only be seized once. Then it is dissipated and disappears as a taxable source. In the final analysis all the people will pay. There is now a system whereby the Government puts its finger in every wage envelope of any size. One thing is certain, that system is not going to vanish under the spending programmes now envisaged. The full pay envelope is not coming back until the present trend is reversed, but the war tax burden, now vitally necessary, will not be tolerated in time of peace. Nor can the Government borrow indefinitely. And the printing of money will mean run to all.
—St. Catherine Standard.

Landlord Trouble

The campaign of Charles Evans Hughes for re-election to the governorship of New York was tough and bitter, and Mr. Hughes was profoundly relieved and gratified when finally the votes had been counted and he was announced the winner.

Shortly after his second inauguration, Mr. Hughes was showing a prominent lawyer through the executive mansion, when the latter remarked, "You certainly have a handsome place here."

"Yes," agreed the Governor, "but you can't imagine the terrible time I had getting the landlord to renew the lease." — Wall Street Journal.

Research

A doctor engaged in industrial work in the United States tells us that Canada has the finest research laboratories in the world. He says the experiments being conducted and the discoveries being made rank with the greatest in scientific development.

Not much is heard of the Canadian research, but many improvements have been written into the records from the notebooks of the men and women who are engaged in constant research. Sometimes an individual or a couple of men or women will work out a formula. At other times many persons have had a hand in the completed work.

Instead of always belittling Canada, would it not be better if many of our public men set to work to let Canadians know how advanced this Dominion really is!—Windsor Star.

British Equivalents

At the outbreak of the war, there was a grave danger that Britain would suffer from a serious shortage of important drugs. The German source, always a major supplier, was cut off from the start, the collapse of France enhanced the danger and U.S. supplies were always threatened by U-boats. Yet, thanks to the ingenuity of British scientists and manufacturers, no serious shortage has ever arisen in spite of immense difficulties. It was soon found that the description of manufacturing processes given in many patents tended to hide rather than to disclose the facts. Therefore, the theoretical basis of every product had first to be established in the laboratory. Next, pilot plant manufacture had to be organized and, finally, mass scale production. These obstacles were all surmounted in time.—Fredericton Gleaner.

Inside Stories of the Street

DEVELOPING CANADIAN RESOURCES

The great opportunity that has arisen out of the war to develop the natural resources of the country is strikingly shown by the activities carried out by R. O. Sweezey, of Montreal. In the old days "Bob" Sweezey, as he is more generally known on the local Street, was particularly active in the pulp and paper industry, and later on in leading the group that carried out the successful undertakings represented by the Beauharnois Light & Power Co. Over past couple of years, though, Mr. Sweezey has turned his attention to particular undertakings in different parts of Canada, and has been wonderfully successful in attracting the co-operation of American British and Canadian capitalists. One of his biggest undertakings was the handling of the financing of what is known as the Steep Rock ore development west of Fort William. To this undertaking he brought the well-known Curtis group from Cleveland, and the tremendous program carried out by the company has made it possible for the first ore to be shipped to the head of the lakes on its way to the smelters. Later on he was identified with one of the largest timber deals on Vancouver Island, and this particular undertaking it is figured will be a tremendous factor in the development of the lumber industry on the Pacific Coast during the after-war period. More recently he has tackled a big coal area in Alberta, and in this undertaking had a great deal of foreign capital as well as support from a Canadian group. The coal in the area is highly thought of by engineers, who claim that its content will permit of its being a factor in supplying even the market as far eastward as Ontario.

DID A GREAT JOB FOR CANADA

The announcement that Ralph Bell, of Halifax, had completed his task in charge of the aircraft industry, and would return to his personal activities, draws attention to the tremendous strides made by the industry in Canada under Mr. Bell's administration. Right from the start Mr. Bell was able to get the heartiest co-operation from all the manufacturers, not only at the aircraft plants, but also at the various shops at which parts were made, and which permitted Canada to go right ahead and establish an aircraft industry that has become one of the wonders of the war for the size of Canada. Mr. Bell was particularly well qualified by his organizing knowledge as well as his pleasing personality to draw to him the support of everybody interested in the industry, and in the long run both the country and the Dominion Government got the benefit of a lifetime of experience which he was able to bring to solving the many problems that developed in connection with the increased production of the aircraft plants. When he tackled the job, of course, Mr. Bell had an idea that he would be in Ottawa for a year or so, but the war has lasted so long, and developments in the industry were so important, that already over four years have slipped by since he took over the general administration of the industry. Canada will always be indebted to Mr. Bell for the great job he has done, but on the other hand Bell will always look back with a great deal of satisfaction to the contribution he was able to make towards Canada's war effort.

GREAT ADVERTISING FOR CANADA

The Manoir Richelieu, of the Canada Steamship Lines, at Murray Bay, has been doing a wonderful advertising job for Canada. This was particularly the case perhaps during the past season when so many prominent Americans and representatives of foreign countries at Washington included in their summer outing the famed trip to the Saguenay and a prolonged holiday at the Manoir Richelieu. When W. H. Coverdale, president of Canada Steamship Lines, planned an expensive hotel like the Manoir for Murray Bay many thought it was too elaborate an undertaking to meet the requirements of Canadian travel. On the other hand it has been the means of attracting a wonderful class of people who are anxious to take advantage of the cool summers of the Lower St. Lawrence. Incidentally this has also meant an added volume of traffic for the boats of Canada Steamships. The experience of visitors to the resort indicates that a great majority of them book for the following year before leaving for their homes, and on this account a great proportion of the hotels and cottages are booked up long before the season is open, thus enabling the management to plan their arrangements well ahead of time. Mr. Coverdale has also made a further contribution by gathering together a wonderful exhibition of Canadiana, which has been on display at the Manoir for some seasons, and has always been eagerly studied by both Americans and Canadians.

25 YEARS AGO

From the Files of The Financial Times

Construtions in July totalled $8,174,869, against $6,470,215 for June, a gain of 26.35 p.c. The July total was 39.68 p.c. larger than for July, 1918.

John E. Botterell was elected president of the Winnipeg Grain Exchange at the annual meeting. N. L. Leach was elected vice-pres., and Dr. Robert Magill, secretary.

Net revenue of the Brazilian Traction, Light and Power Co., for the year was $5,419,672, compared with $5,266,518 in 1917. The consolidated balance sheet for the year shows assets of $230,503,576.

Gross earnings of the Quebec Railway, Light, Heat and Power Co., Ltd., for the year ended June 30, were $2,077,621, as compared with $1,797,853 in the same period of last year, an increase of $279,768.

Finances of the Tuckett Tobacco Company have worked into a strong position. The balance sheet for last year showed current liabilities of $812,866 against current assets of $2,800,000. The working capital, therefore, amounts to about $2,000,000.

Nipissing Mines will resume operations under excellent conditions. The company in spite of liberal dividends this year to date has a surplus in liquid assets of not less than $3,863,386. As of December 31st, 1918, ore reserves were 6,000,000 ounces, but it is estimated that new developments have added some 3,000,000 ounces to these.

SCRAP BOOK

The Old Tin Dipper

A friend of ours who visited Greece told us that he made a pilgrimage to the mountain range of Helicon, and there drank from the mountain called Hippocrene; that fountain is said to have sprung up in the hoofprint of the winged horse, Pegasus, and whoever drinks from it becomes a poet ,in feeling if not in expression. Our friend said that the spring was in no way remarkable, but its water was the sweetest he ever tasted. So it is with water out of a dipper, drunk in a field on a hot summer day. There are matters which are far above mere considerations of sanitation. — Peterborough Examiner.

Popularity Does It

Londoners relay this one about the luncheon rendezvous between the King and Gen. Eisenhower, during which His Majesty turned to the general and remarked: "What do you think of Montgomery?"

Eisenhower paused and then replied: "He's a great military genius, but, frankly, I often have the feeling he's trying to get my job."

"Oh, really?" said King George. "I'm glad to hear that."

"How do you mean," Ike asked, "you're glad?"

"Well," answered the King between giggles, "to tell the truth I've been a little worried about the same thing myself!"—Walter Winchell.

Achtung Chimps

Of all the animals in the London Zoo only the chimpanzees are flying-bomb conscious. They are called the "Achtung Chimps."

Lions, tigers, and nervous creatures like Henry, the llama in the children's zoo, are not aware of the peril in the sound of the flying bomb's engine.

The "Achtung Chimps," however, hear the bombs when they are miles off, and they infallibly distinguish between them and the engines of the fleets of Allied bombers which roar overhead. — London Daily Mail.

The Automobile Disappears

We know, for example, that something like 250 over-age automobiles are going to the junk pile every day in Canada alone—and that the scrapping rate will go up as time goes on. There is ample evidence that by 1945 unless new cars are built, many thousands of people who owned cars prior to the war, will be without automobiles, and many thousands more will be driving "junkers" worth less than $150. By December, 1944, eighty percent of Canadian cars will be four years old or older, whereas normally the total does not exceed forty-five percent. —Facts from the Present.

Battle of Wits

Stockholm's Tidningen has printed the first of a series of articles written in the mountains along the Norwegian border. English-made cigarettes dropped from a British 'plane over some Norwegian islands last Christmas were offered the Swede, who in return offered coffee, and then the interview was under way. Here is a summary:

The Norwegian explained that the British often dropped bags of chocolate, dried fruit and tobacco which are well hidden, and that the contents of these bags are sometimes sold at high prices. One landed on a quisling's roof once, and this led to a German raid on Norwegian homes and to the confiscation of many of these bags.

Germans pick up cigarette stubs in search of English trade-marks, and because of this the Norwegians now light the end of the cigarette bearing the name and afterwards smoke the stub in a pipe—News of Norway.

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HINTS TO INVESTORS

National Breweries Common

Please favor me with your opinion of National Breweries common stock as an investment for income. I am particularly anxious for your ideas as to prospects for this company during the post-war period. Is the $2 a share dividend on the stock fairly safe in your opinion?
—A.S.D., Sherbrooke.

For the business man investor who is looking for a good common stock of the "specvestment" class giving a yield of better than 5½ per cent, the common stock of National Breweries appears to offer definite attractions. Company, which supplies major portion of province of Quebec demand for brewery products, has a long successful record of operations during good years and bad.

In recent years, it has extended the market for its products into other provinces of Canada and has, in addition, built up an export business in Newfoundland and West Indies. For past 2 years, in common with other leading Canadian brewing organizations, National Breweries has been shipping considerable beer outside of country to help meet the demand of armed services.

For year 1943 National Breweries reported net earnings after all charges and preferred dividends equal to $2.37 a share on outstanding common stock which compared with $2.87 a share earned on common for 1942 and $2.54 a share in 1941. Contraction in earnings last year was largely due to drop in operating profits arising from reduced sales in domestic market resulting from federal restrictions on production and distribution of brewery products. It will be seen, however, that in spite of this handicap and in face of heavy war taxation —not only income and e.p. taxes but also on company's products and on raw materials—company earned the $2 a share dividend on its common stock by a comfortable margin in 1943. Restrictions on beer production were rcently relaxed and domestic sales may be expected to expand accordingly, although military demands for shipment overseas is limiting the extent to which domestic business can be increased.

Company has an exceptionally strong balance sheet position. At end of 1943 net working capital amounted to $9,051,832 — up almost $600,000 from end of 1942 —with current assets of $11,752,-351 at a ratio of about 4.35 to 1 to current liabilities of $2,700,519. Cash and marketable securities totalled $5,459,922 and were at a ratio of over 2 to 1 to total current liabilities and total current assets represented about 66 per cent of total assets. Surplus at end of last year amounted to $6,298,032 and fixed assets were deppreciated by almost 60 per cent.

There seems little question of National Breweries being able to earn and pay the $2 a share annual dividend rate on its common stock while the war lasts as employment conditions and business and industrial payrolls are an important factor in demand for company's products.

Looking further ahead to post war years outlook, of course, is obscured—as is the case with most industrial and commercial organizations—by doubts as to what conditions may be looked for in early post-war period. Assuming, as seems fairly safe, that there will not be any immediate depression or serious unemployment problem, however, outlook for National Breweries would seem to be quite satisfactory. Company's ability, as demonstrated in the past, to maintain relatively well its sales and earnings under subnormal conditions is an important factor in this regard—as also is its impressive physical and financial condition.

* * *

The Gold Mines

Among my other investments I am holding shares of several gold mines—Hollinger, Dome, McIntyre, Noranda, and Kerr-Addison. I was prepared to sell them and switch into something else about two years ago when shortage of labor first began to have an effect on operations. On the strength of recommendations then being made, not only by your paper but other prominent journals as well, I have held on. They have not done so well by me, however, as dividends on Hollinger and Dome have been reduced and early outlook for the others does not appear to be very promising. What do you think of the prospects? Do you still advise a hold?
—C.B.W., Ottawa.

More than ever in the last few years, retention of good, well-established gold mining shares appears indicated at the present juncture. It is quite on the cards that some further diminution in the dividend return on these holdings may occur before the gold mining situation comes back to normal, but the point should not be lost sight of that, with an established gold mine which has assured and substantial resources of ore at its property, any reduction in dividend arising from a temporary drop in production does not constitute a loss of return on the investment. The ore which is not developed and the gold which is not milled remains for payment of dividends at some future date, and, it should be remembered in this connection that a dividend on a mining stock always must be considered as being, in part, return of capital; this in view of the fact that mines, in their operations, are depleting their assets to the extent of the amount of ore that is milled.

The military situation in Europe at the moment indicates that the war in that sector is relatively close to being brought to an end. We still will have Japan to beat, but it is generally conceded that all of the United Nations can make a start on relaxations of controls and manpower restrictions shortly after the European situation is cleaned up. It is reasonable to assume, in any event, that Canada's war production program will slack off to considerable extent with the defeat of the Nazis; and this in itself should release a considerable volume of manpower which can be used by the gold mines.

We presume that you are aware that Noranda does not properly come under the classification of a gold mine. Its main property—the Horne Mine—is, it is true, well up among the leading gold producers in the Dominion, but gold output is incidental to the huge copper production of the mine. Noranda, strictly speaking, is a base metal company, and its post-war prospects must be considered accordingly.

* * *

Canadian Car Common

The common stock of Canadian Car & Foundry Co., Ltd., has been recommended to me as a good purchase today for a hold during the next few years. I am rather afraid of the stock, however, in view of the great amount of war work which has been done by the company and the likelihood that, with the war in Europe over soon, no more of this work—or very little of it—will be forthcoming. Please let me have your opinion with regard to the outlook for this company and the possibilities for the stock, particularly in the matter of dividends. —M.P.W., Montreal.

Canadian Car & Foundry common appears to have fairly definite attractions as a purchase at current levels for a hold over a moderate period. At market of 9-9½ stock is today selling about equi-distant between its high for this year of 10⅝ and its low of 8.

It is true that Canadian Car has been actively engaged during past 4 years in building of aircraft and other war materials, but it is worthy of note in this connection that company has Canadian rights for commercial planes. Already the management is working up peacetime business for its aircraft department with, it is understood, considerable success.

In addition, there is the fact that, during 1940-1943, equipment buying by the railroads was at a minimum because of the prior claims on constituent materials of war production. This resulted in the establishment of a very substantial volume of delayed rolling stock requirements for the railroads. Already this delayed buying has begun to develop, both C.N.R. and C.P.R. having placed large orders for cars during the current year. Plants of company have been busy working on regular car business during major portion of current fiscal year which ends September 30th next. It seems reasonable to assume that further business will develop, and car plants are likely to be active for some time following end of war.

For fiscal year ended September 30th, 1943 company reported net earnings — exclusive of refundable portion of e.p. tax—equal to $2.99 a share on outstanding preferred stock and, after preferred dividends, to 68 cents a share on common. This was a decline from previous year's net of $3.42 a share on preferred and $1.28 a share on common for previous year, but showed a healthy margin over dividend requirements of $2.10 a share on stock. Refundable portion of e.p. tax for last year was equal to 74 cents a share on common stock as compared with 20 cents preferred for year previous. Gross operating profit last year was off only fractionally from that for preceding year at $5,018,744 as compared with $5,105,146.

In recent years major part of company's business and earnings has been derived from aircraft division. Towards latter part of last year, however, a trend towards activity at car building plants was in evidence and due to pressing need of railways for rolling stock a substantial amount of car building has been done this year. It is reasonable to assume that report for current year will show net earnings for approximately same level as for last year—any increase is debarred by effects of e.p. tax.

Looking to post-war outlook for company operations at aircraft plants of company undoubtedly will fall off sharply with end of war as demand for war craft will, of course, be on a widely reduced scale and, although demand for commercial aircraft may be expected to expand considerably, it cannot be anticipated that this will be any great offset—for some years at least—to the drop in war craft production. In this connection, it should be pointed out that companies working almost exclusively on war contracts—as Canadian Car has been in its aircraft plants — have been permitted by the government to set aside generous depreciation for such plant facilities. This will mean that companies will not be, as at end of last war, saddled with heavy overhead on plant which will have little or no productive value after the war.

Company's balance sheet position is impressive and possibilities for a second payment in connection with "German Claim" holds out hopes for a further material strengthening of the balance sheet. Company, accordingly, will be well fortified against the always present possibility of a lean period of operations at some time following end of war.

Dominion Glass Preferred

I am looking for a good sound investment which will provide me with a yield of better than 4 per cent and the preferred stock of Dominion Glass Co. has been recommended to me by a banker friend. As I read your Hints to Investors page with considerable interest, I should be glad if you would discuss this stock in your columns at the first possible opportunity. —P.G.C., Regina.

Yielding approximately 4⅜ per cent at prevailing market, the preferred stock of Dominion Glass, in our opinion, is worthy of consideration for an investment of the type you are looking for.

Company largest producer of glass bottles and containers in Canada, has had a long record of successful operations; enjoys high class direction and management; and is strongly fortified financially.

Dominion Glass Co. has no funded debt, capital consisting of 26,-000 share of $100 par value 7% preferred stock (non-callable) and 42,500 share of $100 par value common stock. Dividends on preferred stock have been paid without interruption since formation of company in 1913 and common has paid dividends regularly since 1918, current rate of $5 a share annually having been established at beginning of 1932.

For past 3 years net earnings have averaged 3½ times dividend requirements on the company's preferred stock. For fiscal year ended September 30th 1943, with operating profits off only slightly from preceding year despite increased production costs and ceiling on selling prices, net earnings showed a sharp drop reflecting expansion in taxes during latest year. Net after all charges, including taxes for 1942-43 period was shown at $432,772, equal to over $16.60 a share on outstanding preferred stock, which compared with 1941-42 earnings of $770,377, equal to $29.60 a share on preferred. It will be seen, however, that despite the wide reduction in net earnings, preferred dividends were covered 2⅓ times during year. Current fiscal year will end with close of this month and annual report will be available early in December. Due to incidence of excess profits tax, little change in net earnings from last year is likely to be shown.

As at September 30th last company has an earned surplus of $2,-222,045 and deferred surplus (representing refundables excess profits tax) of $462,000. Net working capital amounted to $3,681,224 with current assets of $5,700,792 at a ratio of 2.85 to 1 to current liabilities of $2,019,568. Cash and government bond holdings alone were shown at $2,359,782 on balance sheet, well in excess of total current liabilities.

INVESTMENT YIELDS

(Compiled by Jones Heward & Co.)

	Price	Div.	Yield
INDUSTRIAL COMMON STOCKS			
Agnew Surpass	16½	.80	4.85
Do., Incl. Extras		1.00	6.06
Aluminium Ltd.	87¼	8.00	9.17
Do., Incl. Extras		10.00	11.46
Asbestos	21⅜b	.80	3.68
Bell Telephone	156b	8.00	5.13
Brazilian Traction	21¼a	2.00	9.41
British American Oil	23b	1.00	4.35
B. C. Packers	24	1.50	6.25
B. C. Power "A"	20⅝b	1.80	8.67
Building Products	19	.60	3.16
Can. & Dom. Sugar	21	.80	3.81
Canada Malting	49½	2.00	4.04
Do., Incl. Extras		2.50	5.05
Can. Northern Power	6½b	.60	9.23
Canada Packers	113b	4.00	3.54
Canadian Bronze	38½b	1.50	3.89
Do., Incl. Extras		2.00	5.19
Canadian Cottons, New	26	1.20	4.61
Can'n Foreign Invest.	30a	2.00	6.67
Do., Incl. Extras		2.50	8.33
Canadian Industries "B"	166a	5.00	3.01
Canadian Pacific Rly.	11¼b	.50	4.44
Cockshutt Plow	13b	.50	3.85
Consumers Glass	31¼	2.00	6.40
Crown Cork	36½b	2.00	5.47
Distillers Seagrams	36½	2.22	6.08
Dominion Bridge	29½	1.20	4.07
Dominion Glass	138a	5.00	3.62
Dominion Textile	71½	5.00	6.99
Fanny Farmer	36	1.50	4.16
Do., Incl. Extras		1.75	4.86
Ford of Canada "A"	25⅝b	1.00	3.88
Fraser	28¼	1.40	4.95
Goodyear Tire	95b	2.50	2.63
Do., Incl. Extras		4.50	4.73
Imperial Oil	13¾b	.50	3.64
Imperial Tobacco	12½b	.40	3.20
Do., Incl. Extras		.55	4.40
International Nickel	32½b	1.60	4.92
Intern'l Petroleum	20½b	1.00	4.88
Laura Secord	15b	.80	5.33
Loblaw Groceterias "A"	27½	1.00	3.63
Do., Incl. Extras		1.25	4.54
Mitchell, Robert	24b	2.00	8.33
Montreal Power	21¾	1.50	6.89
Moore Corporation	56	2.22	3.96
Do., Incl. Extras		2.88½	5.15
National Breweries	37b	2.00	5.40
Nat. Steel Car, New	16¼b	1.00	6.15
Noranda Mines	57½b	4.00	6.96
Ogilvie Flour	26½b	1.00	3.77
Page Hersey	94b	5.00	5.32
Penmans	54½b	3.00	5.50
Quebec Power	12½	1.00	8.00
Royalite Oil	19½	1.00	5.13
St. Lawrence Flour	34¾a	1.40	3.16
Do., Incl. Extras		1.90	4.60
Shawinigan	14½b	.90	6.20
Southern Can. Power	9b	.80	8.89
Steel Co. of Canada	67a	3.00	4.48
Walker, G. & W.	60½	4.00	6.61
Wilsil	18½b	1.00	5.40
Westons, Geo.	16½b	.80	4.85
PREFERRED STOCKS			
Aluminum Co. 5% Pref.	100	5.00	5.00
Agnew Surpass	113b	7.00	6.19
Canada Cement	114	5.00	4.38
Can. Northern Power	80b	7.00	8.75
Canadian Breweries	44	3.40	7.73
Can. Car & F'dry, New	27a	2.10	7.78
Canadian Celanese	151	7.00	4.63
Do., Incl. Partic. Div.		7.44	4.93
Canadian Cottons, New	26a	1.20	4.61
Dominion Coal	13	1.88	14.46
Dominion Glass	162	7.00	4.32
Dominion Tar	111b	5.50	4.95
Dominion Textile	163½	7.00	4.28
Gatineau Power 5%	86b	5.00	5.81
General Steel Wares	102b	5.00	4.90
Goodyear Tire	55b	2.50	4.54
Howard Smith	111	6.00	5.40
Inter. Power	106¼b	7.00	6.59
Do., Incl. Arrears		12.00	11.29
Lake of the Woods	140b	7.00	5.00
Massey Harris	21¾	1.25	5.88
McColl Frontenac	106b	6.00	5.66
Montreal Cottons	132b	7.00	5.30
National Breweries	43b	1.75	4.07
Ogilvie Flour	170½	7.00	4.10
Ottawa Power	91¼b	5.00	5.48
Price Bros.	100½b	5.50	5.47
Saguenay Power	103½b	5.50	5.31
St. Lawr. Corp. "A"	16	1.00	6.25
St. Lawrence Paper	58½	3.75	6.41
Sherwin Williams	140	7.00	5.00
Southern Can. Power	104b	6.00	5.77
Steel Co. of Canada	73b	3.00	4.11
Hiram Walker	21½a	1.00	4.65
BANKS			
Canadienne Nationale	15b	.60	4.00
Commerce	14¾	.60	4.07
Dominion	19¼	.80	4.15
Imperial	18¾	.80	4.26
Montreal	17	.80	4.70
Nova Scotia	26½b	1.00	3.77
Royal	15½	.60	3.87
Toronto	27b	1.00	3.70

a—Asked b—Bid

INQUIRIES from subscribers in regard to their investments and problems are invited. Answers are based upon information, which THE FINANCIAL TIMES believes reliable, fair and unprejudiced, but beyond the exercise of care in securing information, THE FINANCIAL TIMES cannot assume responsibility.

Inquiries must bear the signature and address of the writer in order to receive attention. Answers thought to be of public interest will be published. Stamped, addressed envelope or postage should accompany all inquiries.

The British Excess Profits Tax In Operation

(Continued from Page 6)

sion that it is neither one thing nor the other—neither a reduction in the rate nor the right to approach to the problem of meeting costs of readjustment.

* * *

Whatever reasons there may be for keeping at 100 per cent the tax now payable, that level of taxation is open to serious criticism from a psychological point of view as long as the directive and measuring rod of industrial effort is profit. Why worry how much a thing costs, why try to be more efficient, if any savings you effect goes neither to yourself nor, if you are a salaried manager, to your employer but to an Exchequer which accepts whatever E.P.T. there is and, unlike an employer, shows no interest in the question whether there should have been more? True, the Commissioners of Inland Revenue have power to disallow expenditure beyond what they consider reasonable; but in practice the line is hard to draw and infractions are not easy to establish.

Most owners and managers have been keenly alive to their public responsibilities. The fact of war and the nearness of the enemy have seen to that by supplying an overriding sense of purpose. Moreover, there is always the thought that slackness and inefficiency may prove difficult to eradicate once they become a habit and that lavish increases in wages and salaries may not be easy to reduce after the war. But, beyond such limits as these, the accustomed checks on waste and inefficiency have gone, or have lost much of their effectiveness. To some extent, of course, this defeat can be attributed not so much to the tax itself as to a defective price policy limiting profits more closely, it would not have been so easy for companies to reach their E.P.T. standard, and the incentive of reaching it would still have been operative.

* * *

What, then, of the future? When introducing the present E.P.T. legislation into Parliament the then Chancellor of the Exchequer said, though he gave no definite undertaking, that he expected it to last "for the duration of the war," and referred to the lessons which should be drawn from our having extended the corresponding tax for the last war over too many years. It is certainly to be hoped that the present tax will not be continued any longer than is absolutely necessary. If it were considered socially desirable to limit the profits made out of the nation's necessity to repair the ravages of war, let us remember that E.P.T. does not prevent the making of excessive profit in all cases; that the limits it imposes are most arbitrary; and that the farther we proceed from our base of 1935-37 the harder it will be to justify the illogicalities that result from our use of it. With the end of the war and the loss of the overriding discipline which it provides, the psychological defect of the tax would be enhanced.

In addition we should bear in mind that those sections of industry which have not so far been paying E.P.T. may have accumulated large deficiencies which they would be entitled to wipe off before there was any question of reconstruction profits becoming liable to E.P.T. Moreover, if E.P.T. were continued into the peace, the way would be open for companies that have been paying E.P.T. during the war to run deliberately at a loss for competitive reasons at the public expense, since subsequent deficiencies may be set off against previous excess profits, and refunds may be claimed. If we want to limit reconstruction profits, we shall have to think again: the present tax is not designed for that purpose. If we want to raise revenue, we must also think again: the disadvantages of the present method may well appear too great.

ONT. POWER OUTPUT UP

Toronto — The central electric stations of Ontario generated 5,-295,658,000 kilowatt hours of power in the first half of the current year, compared with 5,189,-044,000 kw.h. in the corresponding period of last year.

Investment Trusts

Compiled by A. M. Kidder & Co.

	Bid	Asked
xBullock Fund, Ltd.	15.50	16.99
Canadian Investment Fund	3.19	4.25
xCorporate Trust Shares	2.47	
x Do., Accum.	2.26	
xCumulative Trust Shares	4.79	
xDivers. Trust Shares "C"	3.70	
x Do., "D"	5.65	6.45
xDividend Shares	1.26	1.39
xMass. Investors Trust	21.79	23.43
x Do., 2nd Fund Inc.	10.76	11.57
xN. Amer. Trust Shares 1953	2.13	
x Do., 1955	2.81	
x Do., 1956	2.70	
x Do., 1958	2.38	
United Bond & Shares	10	12
xU.S. Elec. L. & P. "A"	16.85	
x Do., "B"	1.81	

x—U.S. funds.

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FARM INCOME IN CANADA REACHES RECORD LEVELS

Estimate Gross Figure of $1.750 Million for Whole of the Current Year

BIG 20-YEAR SWINGS

Ottawa — Canada's gross cash farm income in 1944 may total $1,750,000,000, a figure which would have seemed incredible in 1932 when it was only $383,500,000, according to officials of the Department of Agriculture.

Figures describing the income of farmers have been assembled for Agriculture Minister Gardiner who recently piloted through the Commons a bill providing for the stabilization of farm prices, with the Dominion purchasing farm products, if necessary, to maintain prices.

Farm incomes have swung from peaks to valleys in the last 20 years, the survey showed. The average annual gross cash income during 1926 to 1929 was $970,500,000, in a period when agriculture was relatively prosperous and including the bumper year in 1928 when the income was $1,063,800,000, the highest level attained before the war.

Following drought and depressed prices, the 1928 income had been reduced almost by two-thirds four years later. After 1932 a slow pull upward began until in 1939, the last year of peace, it had reached $722,300,000.

Officials said the war did not immediately mean a spectacular gain in farmers' returns and it was not until 1942 the revenue from Canada's contribution to the food supplies of the fighting nations began to show plainly on farm income. In that year the gross income was $1,114,900,000, a record up to that time.

Farm Income Soared

As shipments of bacon, cheese and other products increased the farm income soared. For 1943, it was $1,396,600,000 and returns for the first six months of 1944 have indicated that the increase for the present year will be at least 25 per cent.

The most impressive gains in income since the low year of 1932 have been made by Prince Edward Island with five times as much income in 1943; New Brunswick, up five times and Quebec, Manitoba, Saskatchewan, up four times.

Thus, in 1932 the Prince Edward Island gross farm income was $2,880,000 against $15,920,000 in 1943. New Brunswick rose from $6,620,000 to $34,450,000; Quebec from $47,640,000 to $200,030,000; Manitoba from $28,620,000 to $136,140,000 and Saskatchewan from $77,640,000 to $311,440,000.

Mr. Gardiner said it was probable that index figures of farm income for Saskatchewan and Alberta should be considerably higher in 1944 due to increased quotas for grain deliveries.

He said study of statistics had shown how much farm income was affected both by production and price variations. The production variations were greatest in connection with grain crops, while the meat variations ran in cycles. It took about three years to increase or decrease the cattle population and about 1½ years to increase or decrease the hog population. Dairy products figures of production remain more constant than any others.

FOREIGN EXCHANGES

Nominal closing rates in New York on Tuesday, September 12th, were as follows:

Sterling	Close		Close
Demand	4.03¼	Switzerland	....
Cables	4.03½	Sweden	....
Australia	3.2272	Brazil	.0505
N. Zealand	3.2434		

Canadian dollar was quoted in New York at a discount of 11 5/16 per cent (official P.E.C.B. rate 9.09-9.91 p.c.).

In Montreal the buying rate for United States dollars was 10 per cent. premium and the selling rate 11 per cent. premium. Sterling buying was 4.43 and selling 4.47.

SUGAR BEETS IN B.C.

Vancouver. — Agricultural experts of the National Research Council are convinced that sugar beet seed grown in British Columbia will be able to meet world competition after the war. Recent tests showed 80 per cent germination, a high figure climaxing an improvement noted every year since production was first started in the Province.

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Bank of Canada Statement

Weekly statement of the Bank of Canada as at September 6th, 1944, reveals total assets $74,526,331 higher than at end of the previous week. Investments are shown up $13,242,013 as compared with week before; holdings of Sterling and U.S. funds are $21,450,000 higher and other assets were up $39,912,146.

Total deposits showed an increase of $66,476,770 during the week; circulation was up $6,779,475 and other liabilities were $1,270,086 higher.

In comparison with a year ago total assets shows an increase of $312,923,147. Total investments are higher by $303,989,052 while Sterling and U.S. funds are up $1,274,454. Circulation is shown higher by $162,485,703 and deposits show an increase of $147,968,567. Comparative figures are shown herewith:

	Sept. 6, 1944 $	Aug. 30, 1944 $	Ch'ge in wk. $	Ch'ge in yr. $
1. Reserve				
Gold coin bullion	.....	.....	.....	.....
Silver bullion	.....	.....	.....	.....
Sterling and U.S. Fund	57,539,294	36,089,294	+21,450,000	+ 1,274,454
Total	57,539,294	36,089,294	+21,450 000	+ 1,274,454
3. Subsidiary	519,007	597,000	— 77,993	+ 264,383
4. Advance to Savings Banks	.....	.....	.....	.....
6. Investments—				
(a) D. & Prov. short term	859,429,036	848,621,808	+10 807,228	+ 62,172,755
(b) Dominion Securities	593,189,705	590,754,920	+ 2,434,785	+241,816,297
Total	1,452 618,741	1,439,376,728	+13,242,013	+303,989,052
7. Bank Premises	1,977,388	1,977,223	+ 165	— 122,436
8. All other Assets	53,352,725	13,440,579	+39,912,146	+ 7,517,694
Total	1,566,007,155	1,491,480 824	+74,526,331	+312,923,147
LIABILITIES—				
1. Capital paid up	5,000,000	5,000,000	.....	.....
2. Res. Fund	8,041,601	8,041,601	.....	+ 1,568,648
3. Notes in Circulation	965,820,680	959,041,205	+ 6,779,475	+162,485,703
4. Deposits—				
(a) Dominion	96,035,190	51,189,777	+44,845,413	+ 6,779,106
(b) Chartered Banks	432,935,241	425,863,886	+ 7,071,355	+120,484,038
(c) Provincial	.....	.....	.....	.....
(d) Other	37,023,582	22,463,580	+14,560,002	+ 20,705,423
Total	565,994,013	499,517,243	+66,476,770	+147,968,567
Liabilities	.....	.....	.....	.....
All other liabilities	21,150,861	19,880.775	+ 1,270,086	+ 900,229
Total	1,566,007,155	1,491,480,824	+74,526,331	+312,923,147

Bank's Real Functions

BY THE OLD BANKER

From many of the recent speeches before the House of Commons Committee on Banking and Commerce it seems quite evident that there is widespread misunderstanding of the functions for commercial banks.

When the Canadian system was originally started, the first charter was copied almost word for word from that of the First Bank of the United States, which was the creation of Alexander Hamilton. It was started immediately following the Revolution, and was very largely responsible for bringing order out of chaos after that struggle. One of the features of that charter was the strict prohibition of loans on the security of real estate. One reason was that, after the Revolution, there were large grants of land to the soldiers. These men naturally wanted to cash in on their holdings, and, because the bank could not make advances on such security; it checked speculation. For this reason, the share bank idea became very popular, and finally, it became powerful enough to induce Congress to refuse a renewal of the charter of Hamilton's creation. The state banks then had their innings. They had the power under state charters, to lend on real estate, and the result was widespread speculation in land, which had serious, and most unpleasant, results to both banks and the public.

The idea behind Hamilton's bank was to finance production and distribution, and the Canadian theory is the same. In other words, it was intended that our banks should be purely commercial banks. For such operations, the financing of commercial transactions, the theory was, and is, that the function of such a bank is to supplement, temporarily, the working capital of its clients, for the reason that, as the banks liabilities are payable on demand, their funds must be invested on short terms, and with an adequate turnover to enable them to fulfil their obligations.

Some of the members of the Banking and Commerce Committee kept harping on the claim, that the banks made credit, and implied that they created it, but do they? We were always taught at school that, while the banks were able to create credit, they could do so only to a limited extent, and, then only temporarily; that, while the banks did produce credit, they did so in the sense that a manufacturer makes goods, in that, he must first have the raw material, which he must purchase. The banks purchase their raw material, credit, in the shape of deposits, which, in themselves, can have only a local standing, and out of it they manufacture an article, which may be used throughout the country, wherever, in fact, the banks has an agent, or correspondent. A private individual, for instance, may be wealthy, but his credit, whatever it may be locally, will have no currency outside of his own locality. Deposited in the bank, however, it may be used almost anywhere.

At one time the main criticism of the banks in Canada was based on the note issuing privilege, which was believed to be a regular gold mine.

There was a profit in it at one time, to be sure, but it was always exaggerated, and for some years past, it is very doubtful whether the returns from this source justified the expense. In any event, the banks will no longer have this privilege after January 1st, 1945. Since 1935 the volume has been reduced each year, and after this year, only Bank of Canada notes will circulate.

As a matter of fact, however, the country also has benefited largely because of the issue privilege of the banks. For one thing, Canada has been remarkably free from forgeries, as the constant ebb and flow of the currency provided such a close check on the notes, that forgeries were soon spotted, and the public protected from loss. Our neighbours across the line have not been so fortunate.

The privilege also enabled the banks to maintain branch offices in pioneer communities, by keeping at a minimum the cost of the till money. Each bank could hold an adequate supply of its own notes on hand with no cost to it. A supply of till money in the form of Dominion of Canada notes, and Bank of Canada notes, must be purchased at their face value.

Halifax Plans Changes Assessment Department

Halifax, N.S. — Far reaching changes in the administration of the city's assessment department have been recommended to the assessment committee by the city assessor, J. F. McManus in order to keep up with the increased demand of a greatly enlarged population as well as speed up the collection of taxes.

The recommendations include an enlargement of both the office and street staff to permit of complete examination of properties each year; placing poll tax collection in a separate division because of the population's growth with one person in charge of such taxes; amendment of household tax assessments in order to equalize those in the lower brackets with toll tax payers; raising the minimum value from the present $1,500 to $2,500 and assessing on a graduated scale; an annual review of exempted properties and the retention of the city's two tax rates until the termination of the Dominion-Provincial tax agreement.

Canadian Farms And Middle East Output

Ottawa — In view of the part Canada will play in the distribution of food in the old world after the war, food production in the Middle East is of considerable interest to Canadian farmers. No single unit of the five political entities of the Middle East—Egypt, Palestine, Trans-Jordan, Syria-Lebanon, and Iraq—is self-sufficient agriculturally, but together they are capable of a high degree of self-sufficiency. With the exception of Palestine, cereal production exceeds by far that of any other class of foodstuffs.

The principal cereals, produced, in the order of magnitude are: Egypt—maize, wheat, and rice. In Palestine, Trans-Jordan, and Syria-Lebanon, the leading cereals are wheat, barley and durra (grain sorghum); in Arabic, durra means maize. In Iraq, the chief cereals are wheat, barley and rice, with durra close to rice.

In the legume class, lentils, beans, fenugreek (the tiny black seeds of which are mixed with bread) and chickpeas are the most important. The production of peas is relatively small. Among vegetables, onions come first, followed by eggplants, marrow squash, cucumbers, tomatoes, and green peppers. Fruits, such as oranges, grapes, figs, apricots, melons, and dates are plentiful. Cottonseed oil predominates in Egypt. In Palestine and Syria-Lebanon, olive oil leads, followed by sesame oil.

Post-War Europe to Need Canadian Horses

Ottawa—Canadian breeding stock may play a large part in re-building the livestock herds of Europe when the war is over. Particularly in the restoration of farm power, the horse will be required, and some idea of the coming demand for horses may be gained from the estimates of the declining numbers of horses in the various countries since the war began.

It is estimated that the numbers of horses in Britain, Holland, and Belgium have been reduced by half, in Russia by one-third, and that only one-third of the original numbers of horses has been left in Poland, Czechoslovakia, Jugoslavia, and Greece.

Germany, by plundering the other nations, is believed to have as many horses, if not more, than when the war began. However, say the authorities, the task of supplying farm power to help in the restoration of agriculture in the devastated countries is going to be a tremendous one and is expected to result in a strong demand for Canadian horses for some time to come.

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Bank Staff Changes

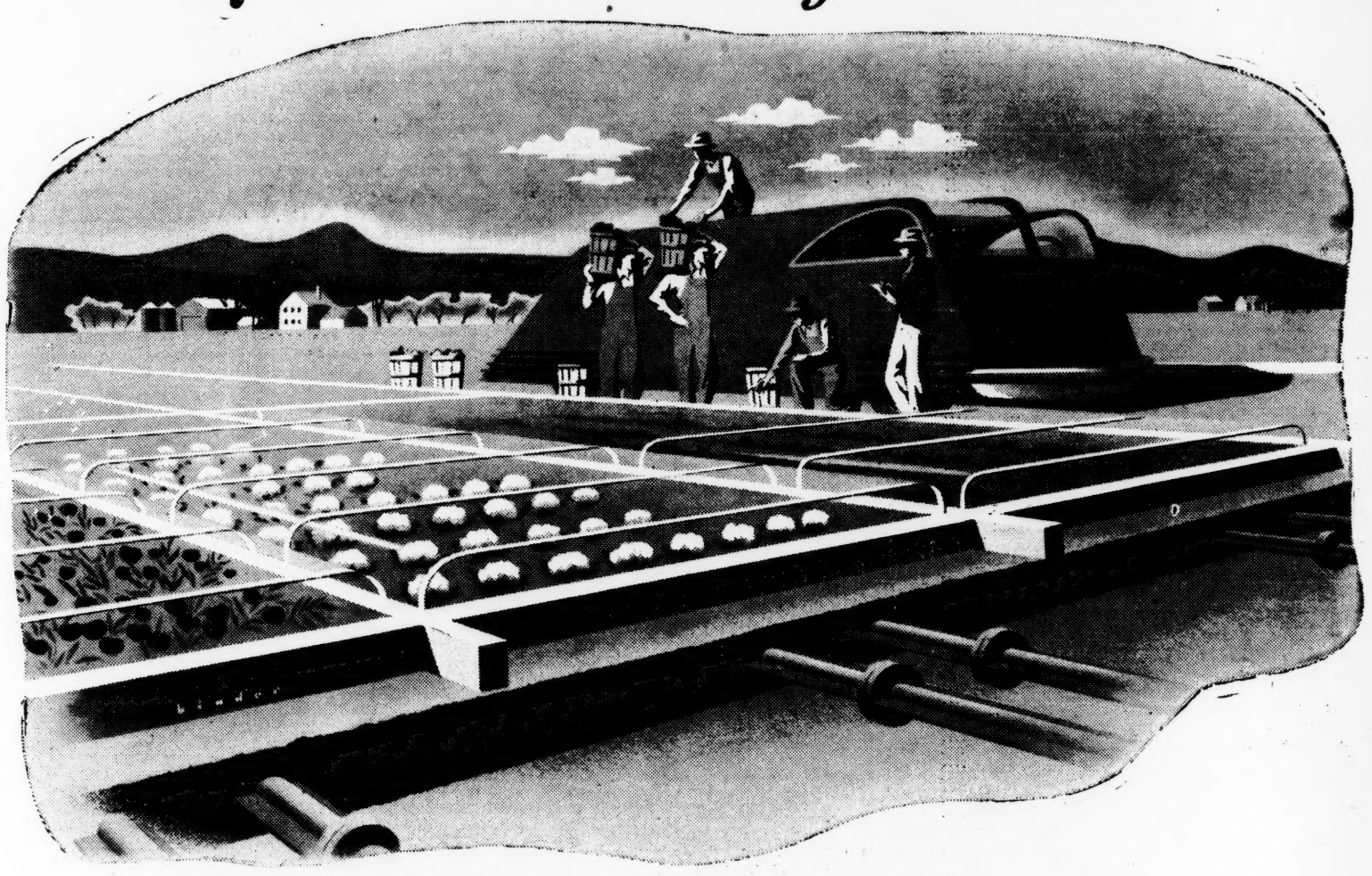
ROYAL BANK OF CANADA

L. G. Hairs, formerly of the supervisor's department of the Royal Bank of Canada at Havana, goes to Moron, Cuba, as manager.

A. L. Queral, formerly manager at Moron, has been given the post of assistant manager at Santiago de Cuba.

G. F. Heron, formerly of the supervisor's department, Regina, Sask., has been transferred to Qu-Appelle, Sask, as manager.

FRESHER, CHEAPER FOOD for your table
by *men who think of tomorrow*



TOMORROW'S EVERGROWING GARDENS . . . Why should garden-fresh vegetables be available only in summer? Why should rich, ripe strawberries be a luxury in winter? *Men who think of tomorrow* are doing something about it. In Scotland, where seasons are short, it has been possible to grow six to eight crops of vegetables a year by heating truck gardens with underground steam pipes—under glass in winter, open to the air in summer.

MEN who think of tomorrow are planning to feed the world better than it has ever been fed before, to make it healthier than ever before. It is a glorious future to which we may look . . . *but only after this war is won!*

Are you working at your "war job" as hard as you can?

Are you saving and turning in wastepaper to help meet the serious shortage this country faces in the manufacture of containers for war materials?

Are you collecting and turning in every last drop of fat from your kitchen to help feed the hungry machines that turn it into TNT?

Are you heeding the Government's plea to curtail your personal travel so that troops and supplies can move freely over our already congested transportation systems?

Have you added your blood to that of millions of others to provide life-saving plasma for our wounded?

And have you increased your purchases of War Savings Certificates and Victory Bonds to the limit of your ability . . . and are you holding on to them?

Only by working hard at these and scores of other "war jobs" can we be sure of Victory . . . and the ever-ripening fruits of Victory. Let us *all* be MEN WHO THINK OF TOMORROW!

★ THE HOUSE OF SEAGRAM ★

All Seagram plants in Canada and the United States are engaged in the production of high-proof alcohol to help speed the war to a victorious end. High-proof Alcohol for War is used in the manufacture of Smokeless Powder, Compasses, Drugs and Medicines and many other wartime products.

LAKE SHORE MINE PRODUCTION AT A LOW SINCE 1928

Net Earnings For Year Ended June 30th Last Again Show Reduction

EQUAL 76c SHARE

Annual report of Lake Shore Mines Ltd. for fiscal year ended June 30th, 1944 reveals a further decline in net earnings for period as compared with preceding fiscal year. Tonnage milled and value of production was at lowest levels since 1928.

An encouraging feature of report is the information purveyed therein that, in face of the serious shortage of labor that has prevailed, there was at end of the fiscal year more ore exposed in drifts and available for stoping at the company's property than at the end of the previous year, and considerably more than at the end of 1940.

Tonnage of ore in reserve is not estimated, but the report points out that the untouched ore reserves had a length of 17,122 feet, an average width before slashing of 58 inches, and an average grade of .575 oz. per ton. This compares with a length of 13,290 feet, an average width of 54 inches, and a grade of .585 oz. at June 30, 1940.

Tonnage milled during year under review is reported at 267,698 tons as compared with 338,810 tons in preceding fiscal period and value of production was down at $4,498,530 from $5,540,131. This indicated average recovery of $16.80 per ton as against $16.35 a ton year before. Operating costs were down over $400,000 at $2,224,239, but averaged $8.08 a ton as compared with $7.54 a ton, while taxes were about $200,000 lower at $628,159. Net earnings after all charges for fiscal year under review were down approximately $400,000 from preceding year at $1,521,977 and were equal to 76 cents a share on outstanding capital stock as against 96 cents a share on year previous.

Working Capital Gain

Balance sheet shows net working capital moderately higher than at end of preceding fiscal year at $4,546,840 as compared with $4,406,884. Current assets were relatively unchanged in total at $5,126,274 as against $5,139,323—and on latest balance sheet, included cash of $3,499,344 and $936,455 on government bonds—while current liabilities were down at $579,433 from $732,438. More significant figures in profit and loss account and balance sheet for past 2 years are compared herewith:

	—Years end. June 30— 1944	1943
Net profit	$1,521,977	$1,918,183
Per share	76c	96c
Production	4,498,530	5,540,131
Tons milled	267,698	338,810
Per ton	16.80	16.35
Operating costs	2,224,239	2,625,567
Cost per ton	8.08	7.54
Taxes	628.159	824,179
Taxes per ton	2.34	2.43
Working capital	4,546,840	4,406,884

Adds To Profitable Life

Report points out that under present mining policy the mine is being developed many levels ahead of the bottom of active mining. This policy very largely eliminates the making of pillar ore, but means a much lower tonnage than in the past, though giving an even greater proportional extension of profitable life. A. L. Blomfield, managing director, states that the immediate picture would indicate a production of not over 1,200 tons daily, though there are many known breaks as yet unexplored that may influence the future tonnage.

Owing to the severe labor shortage, however, tonnage milled and production for the year just ended were the lowest since 1928. A slight increase in the grade of ore handled was more than offset by the increase in per-ton operating costs.

Albert Wende, president, in his report, states that if the findings and reports of the Royal Commission set up by the Ontario Government in 1943 to look into the mining situation are acted upon the future of the property would be much improved. Although much more work will be required in returning to a more normal production, it is hoped that when peace comes the mine may soon arrive at a more balanced and efficient operation.

In the last two or three years it has been necessary to restrict drifting operations on the lower levels for the most part to the main leads of the vein Subsidiary veins and branching fractures remain largely untested except by diamond drilling. Many of the drill holes cut material of ore grade and some of these occurrences when opened by drifting will undoubtedly contain mineable orebodies. Most of the mine is now working only one shift per day and many working places which normally would be in production are forced to remain idle.

There was a gratifying decrease in severe bursting last year. Only one heavy burst was recorded, and it occurred in old workings away from current stoping operations. The efforts of the safety department are reflected in the lowered accident rate for the year. In 1943 competition for the Ryan trophy, awarded annually to the safest mine in Canada, Lake Shore was in sixth place.

New Blondor Veins Provide Good Values

J. P. Norrie, general manager of Blondor Quebec Mines, reports that five samples from the three new veins recently found yielded values from $4.25 to $9.26, and adds that they offer definite promise of providing ore values.

Two of the new vein structures are located 400 and 800 ft south of the original high-grade vein system. The other is 4,500 ft to the northwest.

A diamond drill program has begun to test the high-grade vein system at depth.

Western Oil News

Phillips Petroleum To Start Wildcat Test on Sullivan Creek Anticline — Early Drilling at Westreserve No. 1 — Activity in Saskatchewan Field

Phillips Petroleum Co., announcing its plans of development in Alberta, says in a dispatch from Bartlesville, Okla., that after a year of geological exploration in Canada, the company has acquired control of 30,000 acres in Alberta and will start a wildcat oil test.

The test will be in sec. 22 18-5w5, on Sullivan Creek anticline. A road has been built to the site in unsurveyed territory and a drilling rig and equipment is being moved there.

This will be Phillips' first venture into Canada. The company, one of the largest independent operators in the U.S., has also been active recently in South Africa.

The immediate objective is the Madison limestone, at approximately 1,500 ft. If commercial production is not obtained at that level, the Devonian formation will be tested, with the probable final depth expected at about 5,500 ft.

* * *

In an area which has become steadily more popular and in which considerable filing has been going on for some months there was further activity this week, as another reservation was taken up in the territory east of the army developments in Atlee area.

The holdings reported taken up this week, in a dispatch from Edmonton, were acquired under the name of Edward E. Nott, of Calgary, and total 2,367 acres in tp. 20-1w4, close to the Saskatchewan border and north of the Horsham location well on the Saskatchewan side.

* * *

One of central Alberta's very interesting wildcat wells, the Westreserve No. 1, which will put down a deep test in the northwestern section of the Sarcee Indian Reserve,due west of Calgary, was completing preparations for early drilling.

Cellar has been dug and the sump ready, with every possibility that erection of the derrick will begin early next week. Part of the water line is laid and the road has been completed, so that equipment can go on location shortly.

* * *

Officials of Trans Alberta's Twin River well said that the recently completed tests at the well had shown a substantial .gas flow. It measured 450,000 c.f. a day and the surplus, after supply fuel needs, was making a big flare.

Drilling was continuing after cementing off caving, and the last depth was 2,725 ft.

Crews are at the company's Alliance No. 1 well near Antelope Hills, and drilling has been resumed, although no report on depth has been received.

* * *

Development on the Duke of Windsor's EP Ranch is still reflecting on lease filing, and the only two parcels taken up during the past week were in that area. Oil and gas applications were filed in tp. 16-2 and 16-3 west 5th, at Calgary office.

Communications do not appear to have been well established yet with the Ecusha well, drilling a test on the Duke of Windsor's EP Ranch, but the well is drilling, and reported 925 ft. early this week.

* * *

Operations are going ahead rapidly at the McLeod Del Bonita No. 1 well ,and a depth of 1,750 ft. was reported.

* * *

Drilling on Prairie Creek, near Folding Mountain, and south of the Shell efforts at Entrance, the Jasper Syndicate No. 1 well was drilling at 577 ft. the company reports.

Operations were resumed this week after completion of a relcementing job on surface pipe.

* * *

Bata Petroleums No. 2 well in Muddy Lake field is still under test according to the report of August activities in the Saskatchewan fields. The well has been gun perforated with 40 shots and had a heavy gas flow at the month end. It is located in 1sd 11 of sec. 24-39-23w3.

Vera Ventures No. 1 well on the same structure as Bata in 1sd 10 of 36-41-24w3, is a joint venture of Vera Oilfields and Oil Ventures, Ltd. The report shows the well drilling at 284 ft. and proving up northwest extension of Vera-Unity field.

* * *

Bobjo Mines continues its search for Saskatchewan production with the spudding of a new well in 1sd 11 of 13-9-7w2 on which drilling commenced Aug. 25, with depth of 220 ft. shown at the month end.

The latest operation of the eastern mining company will be known as Bobjo Ventures No. 1, which suggests that the very active Ventures people are interested in this latest development.

* * *

In 1sd of 14-29-32w1, Oil Ventures has also been active on its own behalf. Ventures Kamsack No. 1 has now reached a depth of 232 and reports a gas flow at 230 ft.

Imperial operations in the province are now restricted to a single well with the abandonment of Norcanols Radville No. 2 at 5,121 ft. and Norcanols Buffalo Gap at 5,279 was coring at Aug. 31.

* * *

A new location, appearing in the latest report is that the Keesekoose Syndicate No. 1 well in 1sd 4 of 5-32-32w1, but there are no details of activity.

* * *

Simpson Oil Co No. 1, which was drilling at 1,800 ft. in July report has now been carried to 2,053 ft., in 1sd 7 of 22-28-25w2.

* * *

Torch River Prospecting Syndicate No. 1, which is located in 1sd 16 of 32-52-15w2, was down to about 500 ft. level, the official report said.

The single currently drilling well of Home Oil, the No. 18, had set 7-in. casing at 8,370 ft., after reaching lime at 8,362 this week.

* * *

Drilling in U.Ben. the Imperial test of Coalspur reported a depth of 6,168 ft. this week end.

* * *

In a test, after acid, this week, Okalta No. 17 reported 21 bbls. an hour.

* * *

In Athabaska field another test well is ready to begin operations, and Deca No. 3 in 1sd 13 of 32-65-23w4 will begin drilling early this week.

* * *

Last depth from Mid-Continent-Universal No. 1 well in Taber field was 2,822 ft.

Drilling down in U.Bim. the Valley Oils No. 2 well was 6,070 ft.

DRILLING AT KAMLAC

Edmonton — Seven diamond drills have been completed without intersecting ore on the Aye group between the Giant and Con properties in the Yellowknife district, F. V. C. Hewett, president, informs Kamlac shareholders. The Aye group and the company's Kam properties, are under option to Consolidated Mining and Smelting Company, under a contract which retains for Kamlac a one-third interest if production is established.

EAST CREST OPTION

East Crest Oil advises that payment has been received covering 25,000 shares, part of September 3 instalment on 100,000 shares under option agreement was Haras Corp. Balance, together with October 3 instalment, has been extended for thirty days.

AUMAQUE SHARES TAKEN UP

Toronto—Aumaque Gold Mines advises that an additional 10,000 shares have been taken up under option agreement with Harvey Marvin. Balance comprises option on 948,244 shares exercisable by September 30, 1945. Issued capital is 2,051,756 shares, leaving 948,244 unissued.

BERENS OUTPUT LOWER

Berens River Mines, Limited, reports August bullion output was 649 ounces of gold and 20,833 ounces of silver, having an estimated value of $35,175. This compares with $36,739 in July and $65,454 in August, 1943.

Crude Oil Production

UNITED STATES

(Supplied by Parkinson, Joncas & Co. Ltd.)

Week Ending:	Sept. 2 Crude Oil Barrels	Aug. 26 Crude Oil Barrels	Daily Av. Decrease Barrels
Total Daily Average U.S.	4,648,800	4,673,050	24,250
Same Week Last Year	4,244,850	.....	.....
Increase Over Last Year	403,950		

	Barrels
Total Production January 1—September 2, 1944	1,105,995,550
Same Period Last Year	975,900,200
Increase over Last Year	130,095,350
Crude Oil Stocks August 26, 1944	222,931,000
Crude Oil Stocks August 19, 1944	223,040,000
Decrease for Week	109,000
Crude Oil Stocks One Year Ago	236,170,000
Gasoline Stocks August 26, 1944	80,740,000
Gasoline Stocks August 19, 1944	81,850,000
Decrease for Week	1,110,000
Gasoline Stocks One Year Ago	71,636,000

CANADA

	Daily Aver. Crude Oil
Week Ending August 28, 1944	24,462
Week Ending August 21, 1944	24,246
Daily Average Increase	216
Daily Average Prod. Same Week Last Year	28,094

Development Program For Mate Yellowknife

Edmonton — Officials of Mate Yellowknife Gold Mines, owning a group of claims about 800 feet east and north of Giant Yellowknife, announce that the development program recommended by Bernhard Day, consulting engineer, will start immediately. The shear zones are to be traced and from four to six drill holes will probe conditions to depth of 100 feet. Drill is reported on the way in and should start work in a few days.

Mr. Day reports three strong shear zones have been found in the southern portion of the property and another in the northern sector. He adds that the geology is favorable, the western half of the property being underlain by greenstone, while the eastern half is underlain by sediments, with phases of quartz-porphyry.

Report Rich New Ore At Cochenour Willans

Toronto — Recent strength in the market for shares of Cochenour Willans Gold Mines is attributed to the ore developments reported being obtained in heretofore unexplored territory. A new orebody has been discovered on the 375-foot level which has indications of being one of the largest and richest in the mine.

The ore was found in following up drill indications. A crosscut was driven south and at 127 feet the ore was encountered, with the crosscut continuing in ore for 90 feet Average assay of car samples for the full 90 feet ran .57 oz. per ton.

Overburden Interferes Trenching At Aubelle

J. P. Norrie, general manager of Aubelle Mines, Belleterre area, Quebec, reports that recently discovered north-south vein in the western part of the property, was trenched to show a width of 10 feet and a length of 200 feet when heavy overburden mitigated against further trenching. A similar quartz vein to the east was uncovered for 100 feet when heavy surface drift prevented further progress.

Diamond drilling will be necessary to extend and explore both occurrences which constitute strong quartz veins carrying some mineralization.

No. 20 hole is being drilled to cut No. 1 vein 100 feet west of the point where a core length of 8.7 feet grading $32.34 gold was recovered by No. 19 hole.

Drills At Goldora Cut Mineralized Belt

Goldora Mines reports that No. 3 drill hole, testing the extension of the Obaska Lake ore zone, has cut a belt of mineralized schist carrying quartz stringers from footage 251 to 372, a core length of 121 feet.

Numerous gold assays were returned with the best section yielding $10.29 across two feet. Further sampling of the core is in progress to ascertain if an ore shoot is indicated.

No. 4 hole, pointed in the opposite direction to probe another favorable structure in the same zone, has been completed and the core is being logged and sampled.

A second machine, being operated jointly with East Sullivan Mines is cross-sectioning the diorite dyke area along the northwest boundary of the property.

Liquidation This Month Golden Manitou's Loan

Toronto. — A reduction in company's bank loan by a further $280,000 has been made by Golden Manitou Mines up to Sept. 1 in 1944 and the balance of $45,000 owing on this Government-guaranteed loan is expected to be paid off before end of this month. With an agency of the U.S. Government exercising its option to take the balance of concentrates not delivered under the company's initial marketing contract by Sept. 1, a further 6 months of production under this contract has been assured.

During first six months of this year, production value was $1,007,587 with an operating profit of $315,285 after all interest and head expenses, but before depreciation and nominal taxes (the company is a new war metal producer). This compared with output value of $825,047 and operating profit of $282,709 the first six months of 1943. When bank loan is completely liquidated, there will be only the $425,000 of bonds ahead of the common.

UNLISTED MINES

	Bid	Ask		Bid	Ask
Arncour	5	..	Mosher	22	23
Acordia	..	3	Nat. Malartic	36	38
Albany River	16	18	New Ribago	1	2
Amal. Kirk.	37	39	Norbeau	75	85
Barber Lard.	4	6	Norwin	..	5
Beresford	3	..	Northland	9	10
Bilmac	..	2	Oklend	7	9
Brock	14	16	Obalski	11	12
Calder Bous.	7	9	Opemiska	7	9
Century	9½	13	Oriole	..	2
Camlaren	10	13	Orpit	11	13
Can. Pandora	..	2	Ossian	..	3
Cap. Rouyn	..	1	Pan Can.	7	10
Cheminis	18	..	Polaris	..	4
Cont. Kirk.	5	..	Pontiac	16	20
DeSantis	17	22	Presdor	4	4½
Eastward	21	25	Privateer	43	45
Dona Pat.	5½	7	Pascalis	42	44
Dictore	..	2	Pelangio	6	7
Dubuisson	34	37	Porc. C U	$25	..
Elmos	..	3	Porc. Lake	..	4
Fleming	4	6	Que. Manitou	23	26
Gold Frontier	9	12	Rahu Lake	2	4
Gordon Lebel	..	2	Red Gold	..	5
Hiawatha	3	..	Rand Mal.	33	35
Hoyle	12	14	Routhier	..	3
Hugh Pam	14	16	Raymond	24	26
Hutch Lake	2	..	Senore	6	..
Kenricia	..	5	Shenango	..	1
Kienna	6	..	Shenango new	5	..
Kewagama	9	11	Sheldon	21	23
Kirk. Gate	..	5	Skynner	5	6
Lake Rowan	5	7	South Keora	3	5
Lake Geneva	5	7	St. Pierre	..	5
Lardego	1	2	Stadacona	41	41
Lowery Pete	30	44	Sutton	60	..
McFarlane	..	2	Thom. Cad.	1	2
Magnet Lake	5	..	Tonawanda	..	2
Magnet Cons.	32	35	Virita	..	1
Margaret RL	5	..	Walker Pat.	2	4
Martin B.	6	7	Winoga	1	3
Matach. Con.	31	34	Westwood	3	4
Moffatt Hall	3	4	Woco	1	2
Mooshla	..	3	Yama	5	..
			Young Dav.	32	35

MINE PRODUCTION IN QUEBEC DOWN

July Figures Show Declines From Last Year in Almost All Minerals

Gold production in Quebec during July and seven months declined sharply, according to the Quebec Bureau of Mines monthly report issued this week. Silver production also declined from previous month and same month year ago, but for the seven months period decline was less marked.

Asbestos production in July amounted to 31,112 tons, as compared with 35,328 tons in June this year and 43,447 tons in same month a year ago. For the seven months asbestos production is lower by some 40,000 tons.

In the building materials, clay products increased in July and in the seven months period. Cement continued to ease off, in month under review amounted to 400,808 barrels, as compared with 430,480 barrels in July, 1943 and 463,475 barrels in June this year. Production of cement for the seven months this year totalled 1,586,132 barrels, against 1,837,225 barrels a year ago.

La Luz Reports A Sharp Earnings Drop

Toronto—La Luz Mines in which Ventures, Limited has a substantial interest, reports estimated net earnings for the quarter ending June 30, of $28,443. This compared with $88,227 for the preceding three months.

Production for quarter under review amounted to $573,204, compared with $642,325 and tonnage milled 110,898 tons, compared with 104,752 tons.

Drilling Started At Adian Gold Property

Toronto — Diamond-drilling was started during past week by Adian Gold Mines on its property in Asquith Township, located four townships south and west of Midlothian Township, where the Roche-Lang gold discovery recently created excitement. Initial drilling contract is for 5,000 feet of drilling.

Funds for the development of the property, part of which has been held by the Coulson interests of Ottawa, are being advanced by the F. M. Connell and Jos. McDonough interests, through Larmont Mines, Conwest Exploration and Cobalt Products.

Report Drill Results Heva Cadillac Mines

W. J. Hosking, consulting engineer to Heva Cadillac Gold Mines in the Rouyn area, reports Hole No. 1 entered the main Cadillac-Malartic shear at 313 feet and continued in it to 555 feet. Quartz and tourmaline with some mineralization showed mixed up in the shear. At a depth of 555.8 feet, the core shows the rock to be silicified and cut with quartz veins and veinlets. The following sections were split and assayed: from 555.8 to 557 feet gave $5.43; bore between 557 and 560 feet was lost from 560 to 565 feet the assay was $8.85.

Despite the loss of three feet of core, the section from 555.8 to 565 feet, or a core length of 9.2 feet, averages $5.51 gold per ton. Further sampling of the core is in progress.

Inspiration Drilling On Parbec Property

Diamond drilling was scheduled to commence this week on the property of Parbec Malartic Gold Mines, it was announced officially, with the first four holes having been spotted by A. P. Rogers, M.E., president of the company.

The Parbec ground is situated astride the main Cadillac break and lies between the two groups of claims held by East Amphi Gold Mines. In a report to the company made early this year, J. P. Norrie stated that the surface drilling had outlined two promising gold-bearing zones. A third zone was also indicated.

The company is well financed for the program of drilling which is to be undertaken and contract for the work has been signed with Inspiration Mining & Development Co.

PACIFIC OIL OPTIONS

Pacific Oil & Refinery advises that payment has been received covering 1,600 shares, part of September 12 option instalment on 30,000 shares under agreement with Brookland, Limited. Balance has been cancelled by mutual consent.

Under date August 30, 1944, an agreement has been entered into with Meldrum J. Ross of Toronto providing for an underwriting on 25,000 shares at 35c a share, payment for which has been received and an option on 850,000 shares at 35c and up. Issued capital is 1,759,105 shares, leaving 1,240,895 unissued.

Sepha Mines Planning Diamond Drill Program

Toronto — Sepha Mines advises it is planning to install heavy duty diamond drills to go down 1,000 to 1,500 feet on its property which lies north of Dome Mines and along the strike of the sedimentary belt.

Mrs. J. A. Thomas, president and manager of Sepha, also advises that company has acquired 11 claims, about 550 acres, close to Donalda, Inspiration and Lake Dufault Mines.

MYLAMAQUE ACQUIRES CLAIMS

During the recent staking rush in Figuery Township, Mylamaque Mines acquired a group of claims approximating 1,000 acres in the Rambull section of the area, on which Mylamaque proposed to carry out some exploration.

MARINE INDUSTRIES, LIMITED
Shipbuilders
Marine Engineers
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Plant and Office:
SOREL, QUE.
Executive Office:
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INQUIRIES INVITED

MINING MARKET RECORD

Transactions on TORONTO STOCK EXCHANGE

Stocks—	Sales	High	Low	Last Sale Tuesday	Change	High	Low
Aldermac	6,300	.24¾	.23	.24	— ¾	.28	.15
Ang Hur	2,625	7.20	7.05	7.20	.....	8.05	5.75
Aquarius	4,000	1.00	.90	.90	—15	1.15	.55
Area	2,000	.25	.24	.24	— 1	.34½	.17
Arjon	2,000	.10½	.10	.10½	+ 1	.18½	.08
Armistice	8,200	.33	.30	.32	+ 5	.58	.28
Aumaque	64,000	.91	.77	.77	—14	1.04	.28
Aubelle	189,300	.61	.52	.55	— 4	.71½	.39
Astoria	29,350	.18½	.16	.16½	— 2½	.31½	.08½
Aunor	2,325	4.10	3.90	4.00	—10	4.40	3.20
Bagamac	4,500	.14	.12¼	.12½	+ ½	.23	.11¼
Bankfield	2,700	.14½	.13	.14½	+ 1½	.24	.12
Base Met	16,750	.14	.13	.13	— 1	.24½	.10
Bear Exp	75,623	1.92	1.55	1.57	—43	2.89	.36
Beattie G.	35,448	1.90	1.75	1.75	—15	2.45	1.70
Berens R.	2,000	1.10	1.05	1.05	— 7	1.50	.60
Bidgood K	141,290	.30	.24½	.25	— 5	.67	.22
Bobjo	17,7000	.14	.12½	.12½	+ 2½	.17½	.06½
Bonetal.	4,350	.20	.19	.19	— 2	.28½	.20
Bralorne	3,370	14.50	14.00	14.25	.....	14.60	11.50
Broulan	15,550	.88	.83	.84	— 4	.93	.70
Buff Ank	900	5.80	5.60	5.70	—15	6.20	3.55
Buff Canad	4,500	.07	.05¾	.07	+ 1	.09¾	.05½
Bunker H.	3,000	.03½	.03¼	.03¼	— ¼	.05	.03
Belleterre	3,360	9.50	9.00	9.00	.....	11.00	8.50
C. Malart	800	.75	..	..	+ 5	.85	.60
Cariboo	4,000	2.30	2.05	2.25	+20	3.20	1.50
Castle Tr.	605	1.15	1.12	1.12	— 3	1.26	.90
Cent Pat	4,300	2.25	2.10	2.14	—14	2.50	1.62
Cent Porc	6,200	.15	.13½	.15	+ 2	.21	.08½
Chem Res.	5,000	.25	.23	.23	— 2	.48	.17
Ch'rville	12,693	1.30	1.20	1.22	— 5	1.72	1.18
Chrom'm	200	1.50	..	..	—10	2.00	1.26
Coch Wil	72,262	2.65	2.26	2.59	+12	2.65	1.57
Coin Lake	22,988	.33¼	.31	.32½	— 1	.38	.15½
Coniagas	200	1.61	..	..	— 9	1.75	1.15
Coniaur'm	2,250	1.62	1.55	1.55	—10	2.20	1.33
Cons Smelt	893	51.00	47.00	47.00	— 2¾	55.25	38.50
Conwest	16,050	1.50	1.20	1.24	—33	2.84	1.15
Delnite	2,290	1.00	.90	.90	—10	1.12	.70
Denison	12,500	.03	..	..	— ⅞	.05	.02½
Dome	545	28.00	26.50	26.50	— 1½	31.25	25.00
Duquesne	8,200	.23	.20	.20	— 4	.32	.09
East Mal.	11,950	2.55	2.35	2.35	—15	2.70	1.66
E. Sulliv	14,600	.54	.48½	.50	— 4	.63	.47
F'nbridge	14,670	6.00	4.95	5.00	+20	6.00	3.10
Fed. Kirk.	4,700	.06¼	.04½	.06	— ½	.07½	.04½
Francoeur	28,500	.70	.65	.65	— 6	.78	.33
Frobisher	3,450	6.30	5.85	5.95	—55	8.20	5.80
Giant YK.	9,490	9.30	8.35	8.35	—85	10.75	1.99
Gillies L.	16,500	.11	.09	.10	+ ½	.12½	.05
God's L.	10,564	.37	.33	.34	— 3	.43	.16¼
Goldale	8,600	.25	.24	.25	— 1	.38	.15
Gold. Gate	29,800	.12¼	.11	.12	+ ½	.18½	.07½
Goodfish	14,000	.05¼	.05	.05	+ ½	.07	.01½
Grandoro	3,000	.11½	..	..	.....	.12½	.06¾
Gunnar	6,900	.27	.25½	.25½	+ 1	.40	.17
Halc Sw.	2,300	.06¾	.06	.06	— ¾	...	...
Halliwell	9,200	.04	.03⅝	.03⅞	+ ⅛	.06½	.02⅞
Hallnor	143	3.20	..	..	+25	3.85	2.75
Hard Roch	16,700	.92	.88	.88	— 6	1.29	.83
Harker	6,000	.06¾	.06	.06½	— ½	.09	.04½
Harricana	27,700	.36	.31	.31½	— 3½	.47	.31
Hasaga	3,310	.40	.39	.40	+ 4	.75	.38
Hollinger	1,175	12.00	11.00	11.50	— ½	13.00	10.00
Howey	9,300	.38	.37	.37	— 2	.42	.26
Hudson B.	925	31.00	29.75	30.25	— 1	32.00	26.75
Inspiration	1,500	.77	.75	.75	.....	1.00	.54½
I. Nickel	1,499	.33	.32¼	.32¼	— ¾	.35¼	.28
Jack Waite	2,500	.11	.09	.09	— 2½	.24	.05
Jason M.	5,400	32½	.31	.32	+ 1	.41	.23
Kerr Add.	5,980	10.35	10.00	10.00	— ¼	11.60	8.75
Kirk. Hud.	5,000	.68	..	..	— 2	.80	.30
Kirk. L.	14,731	1.12	1.05	1.05	— 8	1.20	.90
Kirk Town	1,000	.10½	..	..	— 2½	.19	.10½
Labrador	12,225	2.95	2.75	2.75	—15	3.50	1.51
L. Dufault	8,350	2.00	1.81	1.82	—17	2.75	.80
L. Shore	663	20.50	19.35	19.50	— ⅞	20.85	14.15
Lamaque	480	6.20	6.10	6.10	— 5	6.75	5.70
Lapa Cad.	32,000	.10½	.09½	.09½	— 1½	.15	.06½
Lebel Oro.	2,000	.04	..	..	.....	.06½	.02
Leitch	10,250	1.30	1.22	1.25	— 3	1.45	1.03
Little LL.	4,570	1.28	1.18	1.18	—12	1.35	.90
Macassa	2,615	4.40	4.15	4.15	—20	4.50	3.40
McL C'shut	18,650	2.73	2.60	2.60	—10	2.75	2.12
Madsen RL	21,720	2.35	2.15	2.22	—10	2.35	1.60
Malartic G.	9,550	3.75	3.55	3.55	—15	4.25	3.35
McIntyre	430	62.50	61.50	61.50	.....	63.00	55.50
McKenz R.	10,555	1.45	1.36	1.36	— 9	1.68	1.34
McLellan	3,000	.04	..	..	+ ¼	.05⅜	.03⅜
McMarmac	26,200	.16	.14	.14	+ 2½	.55	.15
McVittie	19,368	.28	.24	.24	— 6	.46	.07
McWatters	14,400	.30	.25	.29¾	+ 2¼	.40½	.15
Min. Corp	3,700	2.00	1.91	2.00	+ 2	2.15	1.75
Moneta	12,100	.68	.61	.62	+ 6	.99	.36
Negus	74,275	1.44	1.06	1.12	—32	2.17	.59½
Nipissing	960	2.27	2.25	2.27	—13	2.80	1.89
Noranda	1,122	57.75	57.15	57.15	+ 1½	60.50	48.25
Normetal	13,486	.65	.61	.63	— 2	.87	.50
N. Can.	10,200	.82	.73	.77	—18	1.02	.45
O'Brien	27,965	3.30	2.60	2.60	—75	4.50	1.37
Omega	9,534	.33	.31	.32	— 1	.53	.25½
Pamour	6,836	1.30	1.26	1.29	— 6	1.50	1.15
Pandora C.	4,269	.12	.12	.12	.....	.14½	.07
Partan. M.	39,500	.09	.07	.07	— 1	.09	.03½
Paymaster	15,120	.38	.36	.36	— 2½	.44½	.28
O'Leary	35,600	.24	.20½	.23	— 1½	.32	.20½
Perron	4,500	1.18	1.10	1.10	— 5	1.35	.83
Pickle Cr.	3,363	2.90	2.71	2.71	—19	3.05	1.84
Pioneer	4,550	4.20	4.00	4.00	—20	4.50	2.08
Powell R.	6,100	1.12	.99	.99	— 3	1.73	1.00
Preston	6,172	2.75	2.65	2.65	—10	2.92	2.32
Queenston	7,850	1.06	.95	.95	—10	1.25	.75
Quemont	7,100	.20	.16½	.17	— 1	.64	.11⅞
Reno G.	16,000	.05½	.05	.05	— ½	.06	.04
Purdy Mica	7,500	.34½	.33	.34	— 1	.44	.31
Roche LL	41,300	.17	.13½	.13½	— 3¾	.21	.07
St. Anth	11,000	.03⅝	.03	.03⅝	+ ⅝	.05	.03
Senator R.	13,200	.39	.37	.37	— 3	.50	.34
Sheep Cr	2,500	1.10	1.00	1.09	+ 4	1.10	.90
Sherritt G.	6,618	.73	.71	.71	— 3	.92	.65
Siscoe G.	25,900	.84	.76	.80	.....	1.25	.42
Sladen Mal	7,100	.56	.52	.52	— 3	.77	.52
Springer S.	7,400	1.28	1.20	1.20	— 8	1.70	.65
Steep Rock	40,665	4.05	3.65	3.65	—40	4.40	2.04
Sturgeon R	2,500	.25	.23	.23	— 1	.27	.15
Sud Cont.	5,500	.06½	.06	.06½	+ ½	.07½	.04½
Sullivan	13,000	1.65	1.57	1.60	— 5	1.94	1.57
Sylvanite	1,950	2.80	2.77	2.80	+ 3	2.90	1.96
Teck-H.	5,480	3.90	3.70	3.70	—10	4.00	3.20
Th-Lund	14,000	.51	.43	.43	— 4	.79	.38
Toburn	800	1.10	1.00	1.00	— 5	1.15	.90
Towagmac	2,700	.26	.25	.25½	— 3¾	.33	.15
Trans Res.	12,200	.75	.66	.66	—14	.95	.40
Uchi Bonds	1,000	.35	..	..	.....	.35	.29
Upper Can	12,375	2.85	2.63	2.68	— 7	2.78	1.96
Ventures	4,353	12.25	11.15	11.15	— ⅞	13.50	6.00
Waite Am.	5,190	5.10	4.85	4.85	—25	5.45	4.50
Wasa Lake	220,500	.82	.70	.79	.....	.92	.60
Wilts Cogh	18,700	.08	.07	.07¾	+ ¾	.20	.04
Wr.-Harg.	2,435	4.20	3.95	3.95	—25	4.50	2.95
West Mal.	57,800	2.00	1.85	1.94	+ 4	2.00	.97
Osisko L.	1,500	.27	.23	.23	— 5

GERMAN ROUT A FACTOR IN FARM REHABILITATION

Ottawa Source See Reduction In Europe's Requirements Of Food Supplies

DAMAGE LESS SERIOUS

Ottawa—Rapid progress of Allied Armies through the rich farming districts of France, Belgium and the Netherlands is likely to force a writing down of the livestock breeding herds and other agricultural rehabilitation requirements of liberated nations, according to official sources here.

The plans for farm rehabilitation had been largely based on the assumption that what the Germans could not take with them they would destroy. Although there have been reports of wanton destruction of livestock, even down to chickens, the very speed of the Allied advance has prevented the Germans causing the devastation they would have achieved had every mile been contested.

Canadian authorities engaged in providing food supplies for Allied nations said there certainly could be no relaxation in food production in face of the present war situation. They said the reduced estimates of what Europe would require must apply to the rehabilitation period, possibly spread over a period of years. The relief needs of liberated nations still are great and urgent and will continue so until labor and equipment are fully restored to Europe's farms.

As Allied forces speed north and soon may reach Denmark, officials said that recent reports indicated the Germans had largely maintained the hog population of that country, which used to provide a major portion of the United Kingdom bacon requirements. Since the war began, the United Kingdom has looked more and more to Canada for bacon and the quality of this Canadian product has been maintained with an eye to holding this market after the war.

Seek Long-Term Contract

In recent years Canada has sought long-term contracts for the sale of agricultural products to safeguard producers against a sudden falling-off in prices. A two-year bacon contract with the United Kingdom now is being met and a further extension of two years has been under discussion.

It is pointed out here that, on the eastern front, the Germans have been cleared from the Ukraine for a year and this rich agricultural region either is back in production now or will be soon. Roumania, which threw in her lot with the Allies a few days ago, is a major producer of agricultural supplies and probably will be able to provide food stocks which have been going to Germany.

Although Canada has been pressed to meet contract requirements for some food products, she still has some surpluses she would like als for feed purposes, wheat supto sell in spite of heavy withdrawplies are far in excess of Canadian needs with the prospect that the United States, with a bumper crop, will not import as much of this grain in the present crop year.

Overseas wheat shipments have shown no spectacular gain in the last year although European relief needs have been on the increase as new territory has been liberated.

The Canadian farmer, it is emphasized, was able to maintain peak production in foods now required overseas with the assurance he would not suffer price losses should the war end suddenly. Protection has been given him by an act passed at the last session of parliament providing for stabilization of farm prices, purchase of stable products at approved prices and other measures to guard against disruption of the farm economy through the l-ss of markets.

Stream Flow Conditions During August Mixed

Ottawa — The Dominion Water and Power Bureau of the Resources Department reports that stream flow conditions showed a "mixed pattern" in Canada during August.

The Bureau said flow was normal or above normal throughout the Prairie Provinces, in northwestern Ontario, central British Columbia, and north central and northeastern Quebec but subnormal elsewhere in the Dominion with conditions particularly deficient in Nova Scotia, southern New Brunswick and southern Quebec.

Flow of 21 representative rivers averaged 88 per cent against an average of 84 in July.

Except on the Winnipeg River in northwestern Ontario, where flood conditions prevailed in August and lake reservoirs are full, reserves of water in storage remained below average on the principal power rivers in others parts of Canada. Generous autumn rains are needed to add to these reserves before winter.

Percentage of normal for representative rivers follow: Nova Scotia—St. Mary 32, Lahave 33; New Brunswick—Lepreau 22, St. John 88; Quebec — Outardes 134, St. Francois 40, St. Maurice 105, Harricana 77; Ontario—Moira 81, Saugeen 86, North Magnanatawan 79, Aux Sables 71, Missinaibi 86, English 155; Manitoba and Saskatchewan—Assiniboine 220; Alberta — Bow 99, North Saskatchewan 132; British Columbia — Kootenay 73, Bridge 80, North Thompson 105, Campbell 60.

BEEKEEPERS IN QUEBEC

Quebec—Some 5,400 beekeepers in the Province of Quebec last year, having 79,270 colonies, produced 4,206,900 pounds of honey valued at $676,700. With wax added, the value was $704,500.

AT THE LOOKOUT

(Continued from Page 1)

ment after the war ends is made clear in an article written for this issue of The Financial Times by J. C. Macfarlane, President of the Canadian Manufacturers' Association. Standing and special committees, both national and local, are and have been studying the problems of demobilization, termination of war contracts, renegotiation of contracts, taxation, export trade, export credits insurance, foreign exchange control and other problems to be solved in the post-war period. The aim of the manufacturers Mr. Macfarlane emphasizes, in studying the entire range of post-war questions, is to re-establish former employees now in the services and to provide jobs for all, so far as that objective can be achieved. For some months now a committee of the C.M.A. has been working with the Department of Munitions and Supply in regard to the termination of war contracts. Such questions as government control of wages and movement of labor and legislation for collective bargaining and conciliation of industrial disputes are also being studied.

Taxation Relief Sought To Provide Capital

Taxation has been receiving considerable attention from the Association's committees which are impressed with the desirability of building up industrial reserves to make working capital available so that plants may continue to operate with a maximum of employment. The government has been asked to extend the period over which profits for taxation purposes may be averaged, that taxes on corporations should be reduced with the ultimate objective of complete abolition, as in effect is the case in England, and other changes to facilitate post-war conversion and expansion.

Mr. Macfarlane emphasizes that many manufacturers already have in hand complete conversion and post-war plans to be effectively available when hostilities end and that they are all conscious of the importance of preventing or lessening to the utmost any lag between the manufacture of war and civilian goods.

Seasonal Increase in Industrial Employment

In conformity with the movement invariably indicated at July 1 in the years since 1920, there was considerable expansion in industrial employment at the beginning of July, when the 14,668 co-operating employers increased their working forces to 1,853,618 from 1,822,413 at June 1, or by 31,205. This increase of 1.7 per cent exceeds that reported at the same date last summer, but is otherwise the smallest advance at July 1 in the war period.

Expansion in industrial employment at the first of July was accompanied by a rise in the weekly salaries and wages distributed in the eight leading industries these advanced from $57,960,556 in the last report to $58,783,879, or by 1.4 per cent. Various circumstances combined to produce the relatively smaller increase in the payrolls than in employment, notably the general observance of the Dominion Day holiday. The weekly average per employee was $31.71, being nine cents lower than at the beginning of June, but 74 cents higher than at July 1, 1943.

The latest increase in employment raised the index number, based on the 1926 average as 100, from 180.5 at June 1 to 183.5 at July 1; it was then fractionally lower than that of 183.7 reported at the same date of last year, the maximum for July1. After adjustment for seasonal variation, the index number showed a slight decline, falling from 180.5 at June 1 to 180.0 at July 1.

Carloadings at High Point for the Year

Carloadings for the week ended September 2 increased to 73,136 cars, the highest weekly total reached this year, the Dominion Bureau of Statistics reports. The most recent figure compared with 72,595 cars in the previous week and 69,796 cars in the corresponding week last year. The index was 132.3 for the week, 141.1 in the previous week and 119.9 in the corresponding week of 1943.

The cumulative total to September 2, 1944, amounted to 2,429,736 and compared with 2,270,026 in the corresponding period of 1943 and with 2,242,341 in the same period of 1942.

Wheat in Store Now 288,892,000 Bus.

Stocks of Canadian wheat in store or in transit in North America at midnight on August 31 amounted to 288,892,548 bushels, a decrease of 96,230,610 bushels from the total in store on the corresponding date of last year. Stocks this year included 266,401,563 bushels in Canadian positions and 22,490,98, in United States positions.

Deliveries of wheat from the farms in the three Prairie Provinces during the week ended August 31 totalled 5,917,568 bushels compared with 4,687,547 in the previous week. During the first full month of the crop year 1944-45 deliveries from the farms totalled 14,691,480 bushels compared with 15,487,081 in the same period of the previous crop year.

Building Permits Well Up For Seven Months

The July report of Building Permits recorded by the Dominion Bureau of Statistics, included returns from 182 of the 204 municipalities in Canada which have systems for issuing such permits. The total value of permits reported is $12,878,145. Revised values for the month of June include returns from 203 municipalities and aggregate $14,673,080. Reports were received from 54 of the 58 original municipalities and show a value of $9,478,968 for July. The corresponding revised value of June includes 58 returns and is $10,519,893 while the July 1943 value was $7,872,172.

The total value of permits issued by all municipalities during the seven elapsed months of this year is $76,374,548. The value of the 58 municipalities for the same period is $56,193,341, while their corresponding value in 1943 was $34,494,071. During the month of July new construction of all types amounted to 76.1 per cent of the total value, while the percentage of new residential construction was 51.8.

Merchandising Volume Continues at High Level

Wholesale trading in July increased four per cent over the dollar value of business transacted in the corresponding month of last year, the unadjusted index number on the base 1935-1939—100 rising to 179.6 from 173.2. Cumulative sales for the first seven months of the current year recorded an increase of 10 per cent over the same period of 1943.

Conforming with the June pattern of trading, British Columbia reported a decline from the 1943 sales position, July sales decreasing by four per cent compared with July, 1943. Increases recorded in the other economic divisions of the country follow: Maritimes, one per cent; Quebec, three per cent; Ontario, four per cent; Prairie Provinces, eight per cent.

The dollar value of consumer purchasing was practically unchanged in July this year compared with last and was down 16 per cent compared with June. The general index of retail sales on the base, 1935-1939=100, stands at 148.8 for July, 176.5 for June and 147.8 for July, 1943. Sales for the first seven months of 1944 averaged 6.6 per cent above the corresponding period of 1943.

Steel Buyers Are Cautious on Future

Deterred by uncertainty, steel consumers are cautious in future commitments, says the magazine Steel.

"Buying is irregular and future deliveries on most products appear to be easing," the publication observes. "At least they have no marked advance recently. Even in sheets, the most deferred of all major products, there has been some letdown, some producers now being able to offer deliveries in December, against first quarter recently.

"Cancellations in substantial volume are expected in event of an armistice in Europe, not only by consumers but by jobbers as well. Some products will suffer less than others, sheets for example, especially galvanized in which there has been no accumulation and for which considerable civilian demand has been developed for light building construction."

The magazine says postwar reduction in steel demand for armament has been set at 40 per cent, providing production capacity for civilian steel.

Steel operations in the United States declined one-half point to 96 per cent of capacity last week.

Veterans Seeking High-Grade Land

(Continued from Page 1)

young soldier, sailor or airman can't find anything like the necessary $16,000 to take on these high class farms.

* * *

Against that, it is pointed out by Legion members that the government advances enough money, under the act, to let them buy farms in the poorer areas. Thus, as the law now stands, contend the Eston veterans, the government is unwittingly helping its men to get on the poor land. This is repeating the blunder of the last war all over again, when we dumped the soldiers on some places where even the gophers couldn't make a go of it.

One chap summed up the situation thus:

"We give the returned men enough money to let them go on cheap land. But this cheap land is often half slough, half good. In a word, they have to buy 160 acres to get 80 that are any good, or 320 to get 160 that are worth working. The loss is 50 per cent. Why not help the boys buy farm land which is 100 per cent good, and a sure producer?

* * *

There are two sides to all this of course, and the government cannot be giving help to let the boys of Saskatchewan high priced land, and at the same time, refuse it to lads in British Columbia and New Brunswick. Again, if this Eston area is as rich as they claim it is, then the municipality can exercise a little authority, and do something on its own. In a word, instead of leaning on Ottawa, it can do something for itself. Every time a district asks Ottawa to do something for itself, it reduces its own sovereignty, carefully given to it under the B.N.A. Act, it cuts down its own autonomy, and tends to make Ottawa a greater bureaucracy. Because if Ottawa does these things instead of the municipality, then Ottawa assumes more power. Ottawa, therefore, can call the tune. In a word, Eston, as other districts, must make up its mind whether it wants to be spoon-fed by Ottawa at every turn, or whether it would like to go it alone, in the sturdy old-fashioned, western way. If the Eston people want to keep their boys at Eston, they should make some effort on their own behalf, many local people think. However, these may be idle speculations. Eston is going to see what it can do to get its boys back on the land, where it would like to see them settle, and it wants it's heroes to get the best possible break.

Free Enterprise

IS IN THEIR BLOOD

SINCE the beginning of Canada's history, independent trappers, operating on their own initiative and responsibility, have been the basis of Canada's great fur industry.

Rejecting an ordered way of living, trappers have adventured far beyond the boundaries of civilization in their quest for furs. Some have made fortunes. Some have not. But each has lived the life he wished to live . . . has treasured his right to fulfil a personal ambition. This is free enterprise in action.

This Bank, in its lifetime of over a century, has been a support of Canada's fur industry . . . has been attuned to the independence and the self-reliance of the men who built it.

Keep Canada Strong and Free!

The BANK of NOVA SCOTIA

Branches from Coast to Coast

N.B. HONEY PRODUCTION

Saint John—The 570 beekeepers of New Brunswick produced 232,250 pounds of honey last year from 2,850 colonies. The value of $41,000 (including wax) compares with $37,600 in the previous year.

Canadian Business Index

		1944	1943	Change
		$	$	%
FINANCIAL—D.B.S.				
Bank Debits—7 months		34,460,000,000	29,873,000,000	+ 15.4
Chartered Banks—July 31st—				
Demand Deposits		1,818,939,457	1,476,063,484	+ 23.2
Savings Deposits		2,264,527,106	1,825,759,365	+ 24.3
Current Loans		1,024,112,977	1,133,154,482	— 9.6
DOMINION FINANCE—				
Total Revenues	2 mos.	447,190,985	382,908,371	+ 16.8
Ordinary Expenditures	2 mos.	102,988,038	84,329,243	+ 22.1
War Expenditures	2 mos.	372,567,249	413,072,448	— 9.8
National Income	2 mos.	3,710,000,000	3,364,000,000	+ 10.3
BUSINESS CONDITIONS—D.B.C.				
General Economic Situation—				
Index of Physical Volume of Business 5 months	1935-9 equal 100	242.4	230.7	+ 5.1
Index of industrial production 5 months	1935-9 equal 100	274.3	266.7	+ 2.8
Production and General Business—				
Mineral Production—				
5 months	1935-9 equal 100	250.8	238.0	+ 5.4
Gold—5 months	Fine Ozs.	1,295,115	1,619,495	— 20.0
Coal—5 months	Tons	.....	.....	....
Mfg. Production—				
5 months	1935-9 equal 100	297.2	289.4	+ 2.7
Flour Production—4 months	Bbls.	8,344,742	8,204,158	+ 1.7
Cattle Slaughtering—5 months	No.	763,370	622,013	+ 22.7
Hog Slaughtering—5 months	No.	4,456,416	2,740,710	+ 62.6
Cigarettes released—5 months	No.	4,592,278,797	4,766,022,332	— 3.6
Cigars released—5 months	No.	83,661,482	83,677,248	— 0.02
Leather Boots & Shoes—4 months	Prs	10,140,191	9,764,149	+ 3.9
Raw Cotton Consumption—5 mos.	Lbs	72,046,746	80,339,205	— 10.3
Newsprint Production—5 months	Tons	1,233,575	1,185,825	+ 4.0
Steel Ingot Prod.—7 months	Long Tons	1,747,001	1,749,661	— 0.15
Pig Iron Prod.—5 months	Long Tons	787,624	719,900	+ 9.4
Contracts Awarded—5 months	$	115,421,700	81,648,100	+ 41.4
Bldg. Permits, 58 Munic.—5 mos.	$	35,794,589	20,633,620	+ 73.5
Elec. Power Output—7 months	kw.h.	23,678,493,000	23,085,919,000	+ 2.6
INTERNAL TRADE—D.B.S.				
Wholesale Sales—4 months	1935-9 equal 100	170.6	155.8	+ 9.5
Retail Sales—4 months	1935-equal 100	153.4	144.4	+ 6.2
PRICES—D.B.S.				
Wholesale Price—May	1926-equal 100	102.7	98.3	+ 4.5
Cost of Living—May	1935-9 equal 100	119.0	117.4	+ 1.4
Index Com. Stocks—May	1935-9 equal 100	80.8	80.1	+ 0.9
Index Bond Yields—May	1935-39 equal 100	97.3	97.9	— 0.6
GRAIN STATISTICS—Bushels—D.B.S.				
Wheat in Store—Aug. 31		288,892,548	385,123,158	— 25.0
EMPLOYMENT—D.B.S.				
May average unadjusted—				
General Index	1926 equal 100	181.9	181.0	+ 0.5
Manufacturing		225.8	222.5	+ 1.5
Logging		241.2	207.3	+ 16.4
Mining		157.9	160.9	— 1.9
Construction		90.2	123.0	— 26.7
Trade		161.6	153.4	+ 5.3
TRANSPORTATION—D.B.S.				
Railway Car Loadings—		Week to Sept. 2	Week ago	Year ago
Cars		73,136	72,595	69,796
		Cum. to Sept. 2	Year ago	2 years ago
Cars		2,429,736	2,270,026	2,242,341
RAILWAY EARNINGS—C. N. R.		1944	1943	Change
Month of July		$	$	$
Operating Revenues		38,481,000	39,832,000	— 1,351,000
Operating Expenses		29,739,000	31,136,000	— 1,397,000
Net Revenues		8,742,000	8,696,000	+ 46,000
Seven Months—				
Operating Revenues		252,060,000	250,316,000	+ 1,744,000
Operating Expenses		202,335,000	196,685,000	+ 5,650,000
Net Revenue		49,725,000	53,631,000	— 3,906,000
C. P. R.—July				
Operating Revenues		27,316,122	26,642,582	+ 673,540
Operaitng Expenses		23,656,632	22,712,535	+ 944,097
Net Revenue		3,659,490	3,930,047	— 270,557
Seven Months—				
Operating Revenues		181,891,177	162,874,113	+19,017,064
Operating Expenses		155,551,272	137,740,904	+17,810,368
Net Revenue		26,339,905	25,133,209	+ 1,206,696

GOOD NEWS ON THE WAR FRONTS

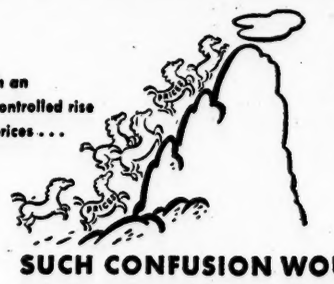
must not be allowed to lessen our efforts on the home front

When we declared war on Nazi barbarism . . .

we engaged in a life and death struggle . . .

that demands the utmost use of all our resources.

NO ONE KNOWS HOW LONG THE WAR WILL LAST...



With an uncontrolled rise in prices . . .

with an uncontrolled rise in wages and salaries

with an uncontrolled rise in costs . . .

SUCH CONFUSION WOULD RESULT THAT...

Industry could not keep organized for full production . . .

Industry—business—farmers—labor and consumers would be involved in an endless quarrel about prices . . .

war plans could not be carried through

RESPONSIBILITY RESTS ON EACH OF US...

The threat of inflation will be with us as long as the war lasts.

When any one of us attempts to use war conditions for personal, selfish purposes . . .

we throw a monkey wrench into the machinery that is back of our boys overseas.

This is the twelfth of a series being issued by the Government of Canada to emphasize the importance of preventing further increases in the cost of living now and deflation later.

Stock Exchange Record—Montreal and Toronto

STOCK	Prev. Close	High	Low	Price Change	Sales	Bid	Ask	1944 High	1944 Low	Current Div. Rate
Abitibi	3½	3⅞	3½	— ⅛	4245	..	..	4½	2⅛	....
Do., pref.	46¾	47½	44½	— 1½	6945	..	..	49¾	27	....
Do. 7%	108	108	107	— 1	225	..	..	115	57	....
Acme Glove	7	..	..	....	....	6	8	11⅛	6½	....
Do., pref.	90	..	..	....	....	80	91	90	..	$6.50
Agnew Surpass	17	..	..	....	....	16	17	17	..	Int.
Do., pref.	113½	..	..	....	....	113	..	113½	..	$7.00
Algoma Steel Corp.	11½	11½	..	— ¼	275	..	..	13	9	....
Do., pref.	97	..	..	....	....	96½	98	99	88	$5.00
Aluminium Ltd.	88	88	87	— ½	341	..	..	95½	89	$8.00
Alco, pref.	100	100	..	— ½	200	..	..	101½	96½	$5.00
Amalgamated Electric.	10	10¾	..	....	20	..	..	10¾	..	Int.
Anglo Can. Tel., pref.	52½	..	..	....	....	52½	..	52½	..	$2.75
Asbestos	22	22	21	....	835	..	..	23¼	18⅜	80c
Assoc. Tel., pref.	20½	..	..	....	....	..	..	40	..	Int.
Barker's Bread	2¾	..	..	....	....	2½	3¼	3½	3	....
Do., pref.	39	..	..	....	....	36	40	42	38½	$2.50
Bathurst Paper, "A"	15¼	15	14	— ½	1020	..	..	16¾	13⅝	$1.00
Beatty Bros., "A" com.	29	..	..	....	....	29½	29½	31	21¼	Int.
Do., "B" com.	24	..	..	....	....	23	25	24	..	Int.
Do., 7% pref.	111¾	..	..	....	....	114	..	113	..	$7.00
Bell Telephone	155½	156½	155	+ 1	589	..	..	157	151	$8.00
Biltmore Hat	9¼	..	..	....	....	9	9½	9½	8½	.60
Blue Ribbon	7½	..	..	....	....	7⅝	8	10	..	....
Do., pref.	48	..	..	....	....	47½	49	48	..	$2.50
Blue Top Brewery	21	..	..	....	....	22½	25	21	19	Int.
Brantford Cord., pref.	27	..	..	....	....	26½	27	27	25⅞	$1.30
Brazilian	22½	21¾	20	— 1	12208	..	..	24¾	21½	Int.
Brewers & Distillers	8¼	..	..	....	....	..	..	8¾	7¼	.60
B.A. Oil	23¾	23½	23	— ⅛	2855	..	..	23½	20¼	$1.00
B.C. Power, "A"	21	21½	21	— ½	130	..	..	24½	19½	$1.60
Do. "B"	2½	2¾	..	— ¼	25	..	..	3¼	1¾	....
Bruck Silk	10½	11	10½	....	793	..	..	11	7¼	.40
Build. Prod., Class "A"	19	19	18½	— ½	725	..	..	21	15½	.60
Burlington Steel	10¼	10⅝	10½	— ⅛	150	..	..	11	8¾	.60
Caldwell Linen	6	8	..	+ 2	25	..	..	8	..	Int.
Do., 1st pref.	25½	25¼	..	....	10	..	..	25½	..	$1.50
Do., 2nd pref.	10½	..	..	....	....	10½	11	11½	10¼	.80
Can. Bread	6½	6½	6¼	....	165	..	..	7	5	.10
Do., "A" pref.	112½	..	..	....	....	111½	..	112½	110	$6.00
Do., "B" pref.	58½	..	..	....	....	60	..	61	..	$2.50
Can. Cement	8¾	8¾	8½	— ⅛	868	..	..	9¾	6¼	....
Do., pref.	114	114	..	....	55	..	..	117	103	$5.00
Can. Cycle, pref	106	..	..	....	....	106¼	..	106¼	104¾	$5.00
Can. Forgings, "A"	19	..	..	....	....	19	20	21	..	$1.50
Do., "B"	37	..	..	....	....	..	..	37	..	$1.50
Can. Nor. Power	6¾	6¾	6½	— ¼	281	..	..	9	7½	.60
Can. Packers	120	119	115	— 5	95	..	..	122	90½	$4.00
Can. SS. Lines	11½	11½	11	— ½	475	..	..	12¾	9¾	$1.00
Do., pref.	43½	39¼	37¾	+ 5¾	450	..	..	43½	31¼	$2.50
Can. Wire & Cable, "A"	66	68	..	+ 2	35	..	..	68	..	$4.00
Do., "B"	21½	22	..	+ ½	28	..	..	22	..	$1.00
Do., pref.	110	..	..	....	....	..	..	110½	..	$6.50
Can. Bakeries	5	5¼	..	+ ¼	200	..	..	6	..	....
Do., pref.	95	..	..	....	....	..	..	96	93½	$5.00
Can. Breweries	8	7¾	7½	— ⅜	4047	..	..	8¾	5	....
Do., pref.	43½	44	43½	+ ½	557	..	..	45	40	$3.40
Can. Bronze	38½	39	..	+ ½	105	..	..	39	33½	$1.50(b)
Do., pref.	107	107	..	....	5	..	..	107	..	$5.00
Can. Canners	16½	16	..	— ½	1425	..	..	16½	8½	.50
Do., 1st pref.	23¾	24½	24	+ ½	650	..	..	24¼	23	$1.20
Do., 2nd pref.	17½	17¾	17	— ½	1015	..	..	18	12½	.80
Can. Car & Foundry	9¼	10	9¼	+ ½	2694	..	..	10⅝	8	....
Do. pref. (new)	26¾	26½	..	— ⅛	275	..	..	28	25	$2.10
Do., pref. (old)	27	..	..	....	....	27¾	29	30	29½	$2.10
Can. Celanese	42¼	42¼	41	— ¼	1150	..	..	45	35½	$1.00(b)
Do., rights	23	..	..	....	....	23	..	24	..	....
Do., pref.	151	152⅜	151	+ 1	190	..	..	154	142	$7.00(b)
Can. Converters	47¼	..	..	....	....	..	..	50	36	....
Can. Cottons (old)	120	..	..	....	....	..	..	122	..	$4.00
Do., pref. (new)	26	26	..	....	125	..	..	26	..	$1.20
Can. Dredge & Dock	19	..	..	....	....	19	20	20	15	Int.
Can. Fairbanks, pref.	110	..	..	....	....	..	..	111	..	$6.00
Can. Foreign Invest.	32	31	..	— 1	40	..	..	35	30	Int.
Do., pref.	106	..	..	....	....	..	..	*106	*103¾	$8.00
Can. Gen. Elec.	205	..	..	....	....	199	..	207	..	$8.00
Can. Ind. Alcohol, "A"	6⅛	6	5⅞	— ⅛	817	..	..	6½	5¼	Int.
Do., "B"	6	6	..	....	50	..	..	6¼	5¼	Int.
Can. Iron Foundries (new)	15	..	..	....	....	13	15	15	12⅜	....
Do., pref. (new)	12	..	..	....	....	..	12	12	..	....
Can. Locomotive	69	59¼	57½	— 1	414	..	..	70	27¼	....
Can. Oil Co.	19	..	..	....	....	20	20½	21½	21	50c(b)
Do., pref.	144	..	..	....	....	140	..	144	135	$8.00
Can. Pac. Rly.	11¾	11¾	11¼	— ⅜	7891	..	..	14	10⅛	Int.
Can. Tube & Steel	7	..	..	....	....	..	..	*7	..	$7.00
Do., pref.	105	..	..	....	....	..	..	*105	..	....
Can. Wallpaper, "A"	12	..	..	....	....	13	..	*12	*10	$1.00
Do. "B"	14½	..	..	....	....	14	16	14½	..	$1.00
Can. Wineries	4	..	..	....	....	4	4½	5	3½	Int.
Can. W. B. Boxes, "A"	21	..	..	....	....	..	..	21	..	$1.50
Carnation Co., 1st pref.	116¾	..	..	....	....	116	..	*117½	*116¾	$4.00
Cockshutt Plow	13½	13¾	..	— ½	75	..	..	14	11½	.50
Cons. Bakeries	15½	..	..	....	....	..	..	15¾	15¼	.80
Cons. Min. & Smelt.	51	51	47	— 4	1558	..	..	53½	38½	$1.00(b)
Consumers Gas	140	140¾	138	....	345	..	..	141	138	$8.00
Consumers Glass	32	32	..	— ½	178	..	..	32	28½	$2.00
Cos. Imperial Mills	24	..	..	....	....	23	24	24	23½	$1.20
Crown Cork & Seal	37	37	..	....	50	..	..	37	31	$2.90
Crows Nest Coal	36	38	..	+ 2	100	..	..	38	34	$3.00
Dairy Corp.	6	..	..	....	....	6	7	6	5	....
Do., pref.	46	..	..	....	....	49	50	46	..	$2.50
Distillers-Seagrams	38	38	36	— 1½	1460	..	..	42	34	$2.22
Do., pref.	107½	..	..	....	....	..	110	109¾	107	$5.00
Dom. Anglo	33	..	..	....	....	50¼	..	52	..	Int.
Do., pref.	85	..	..	....	....	90	..	85	..	$5.00
Dominion Bridge	29½	29½	28¼	— ⅛	935	..	..	31	23¾	$1.20
Dom. Coal, pref.	12¾	13½	..	+ ¾	150	..	..	14	13	Int.
Dom. Dairies	8½	8¾	..	— ⅛	26	..	..	10	5¾	....
Do., pref.	22	22	..	— ¼	50	..	..	24	17	$1.75
Dom. Fabrics, com.	9½	..	..	....	....	11	12	9¾	..	.80
Do., 1st pref.	50½	..	..	....	....	50	..	51¾	50½	$3.00
Do., 2nd pref.	25	..	..	....	....	23¼	..	25	22¾	$1.50
Dom. Foundries	25½	25¼	24¼	— ¾	1082	..	..	26¼	21¾	$1.40
Do., pref.	105½	..	..	....	....	..	..	*108	*104	$6.00
Dom. Glass	138	..	..	....	....	..	138	140	..	$5.00
Do., pref.	162	162	..	....	5	..	..	163	..	$7.00
Dom. Scottish	2¼	..	..	....	....	2¼	2½	2¼	..	....
Do., pref.	31	..	..	....	....	35	38	36½	..	$2.00
Dom. Steel & Coal, "B"	7½	7½	7¼	— ⅛	3522	..	..	9¾	7	....
Dom. Stores	12	12	11¾	....	460	..	..	12¼	9½	Int
Dom. Tar	11¾	11¾	11¾	— ⅛	530	..	..	12½	7¾	....
Do., pref.	110	115	..	....	15	..	..	115	104	$5.50
Dom. Textile	72¼	72	..	....	35	..	..	74¼	70	$5.00
Do., pref.	160	..	..	....	....	163¾	..	165½	..	$7.00
Dom. Woollens	5	5¼	5½	+ ¼	558	..	..	5¾	3½	....
Do., rights	3½	..	..	....	....	..	..	4¼	2⅜	....
Do., pref.	19¼	..	..	....	....	..	..	20½	11¾	.60
Dryden Paper	8⅝	8½	8	— ⅝	205	..	..	9	6⅞	....
East Kootenay Power	40	..	..	....	....	50	..	50	..	....
Eastern Dairies	85	..	..	....	....	..	..	85	..	....
Eastern Steel Prod	13½	..	..	....	....	14½	15	14½	..	$1.00
Easy Washing Machine	10½	..	..	....	....	11¾	12	10½	8¼	Int.
Electrolux Corp.	12⅝	12½	..	— ⅛	550	..	..	13	12½	Int.
Enamel & Heat. Prod.	5½	5½	..	....	25	..	..	6	5¾	....
English Electric, "A"	20½	22½	..	+ 2	35	..	..	23½	19½	$1.00
Do., "B"	4	3¾	..	— ¼	50	..	..	4½	3	....
Equitable Life	9	10	9½	+ 1	105	..	..	10	9½	15
Famous Players	27	..	..	....	....	26½	27½	27	23½	Int.
Fanny Farmer Shops	38	37	35½	— 2¼	890	..	..	38¾	28½	$1.50
Federal Grain	4½	4½	4⅜	— ⅛	400	..	..	8¾	3½	....
Do., pref.	79¼	79	..	....	5	..	..	83	75	Int.
Fleury Bissell	100	..	..	....	....	100	..	100	..	....
Do., pref.	24	..	..	....	....	20	..	24	..	....
Ford, Class "A"	26¾	26¾	25½	— ⅝	11642	..	..	26¾	23½	$1.00
Do., Class "B"	26½	..	..	....	....	23¾	27	26½	23¾	$1.00
Foundation Co. of Can.	20	19½	19	— 1	375	..	..	20	14½	$1.00
Gatineau Power	9	9	..	— ⅛	175	..	..	10	8¾	.80
Do., pref. 5%	88½	87½	86	— 1½	60	..	..	91	84½	$5.00
Do., pref. 5½%	95	93	..	....	17	..	..	95	93	$5.50
Gen. Steel Wares	17	17	15¾	— 1	1465	..	..	17¾	11½	Int.
Do., pref	102	105	101¾	....	128	..	..	111½	101½	$7.00(b)
Goodyear Tire	100	101	..	....	60	..	..	101	94⅜	$2.50
Do., pref. (new)	55	..	..	....	....	54	..	56¼	52¾	$2.50
G. L. Paper, V. T.	5¼	5½	4½	....	302	..	..	6½	3½	....
Do., pref. V. T.	24	..	..	....	....	..	..	25	..	....
G. L. Paper, Sc	5½	5½	..	....	300	..	..	5⅞	2½	....
Do., pref.	24	..	..	....	....	23	24	24½	21	$1.00
Great West Saddlery	8	..	..	....	....	..	..	8	6½	....
Do., pref.	48	..	..	....	....	48½	50	48	46¼	$3.00
Greening Wire	12½	..	..	....	....	11¼	12½	13	12⅞	.60
Gurd, Charles	7½	..	..	....	....	7½	8	8	6¾	....
Do., pref.	95	..	..	....	....	75	..	77	..	....
Gypsum	8¾	8¾	8½	....	815	..	..	9¼	6¾	....
Ham. Bridge (new)	5¾	5½	..	— ⅛	100	..	..	6½	5	....
Hamilton Cottons	16¼	16¼	..	....	1115	..	..	16¼	15¼	.90
Do., pref.	34½	..	..	....	....	..	..	*35½	*33	....
Ham. United Theatres	2	..	..	....	....	..	..	4	3½	....
Do., pref.	121	..	..	....	....	..	..	121	117	$5.00
Harding Carpets	5¾	6	5¾	+ ⅛	700	..	..	6	4¾	.20
Hinde & Dauch Paper	17¾	..	..	....	....	16	..	17¼	16⅛	$1.00
Holt Renfrew Co.	10	..	..	....	....	8	..	10	..	....
Do., pref.	97	..	..	....	....	97	105	97	..	Int.
Howard Smith	18¾	18½	18	— ⅛	482	..	..	19¾	14	....
Do., pref.	111	111	..	....	50	..	..	111	107¾	$6.00
Hunts Canadies, "A"	20	..	..	....	....	18	19	20	15¼	Int.
Do., "B"	18½	18	..	....	5	..	..	21	17¼	Int.
Imperial Oil	13¾	13⅞	13½	— ⅛	7109	..	..	15¼	12¾	.50
Imperial Tobacco	13	13½	12½	....	1235	..	..	13½	10½	40c(b)
Do., pref.	7¾	7¾	..	....	200	..	..	7½	7	6c
Imperial Varnish	12	..	..	....	....	13	13½	12	..	.50
Do., pref.	29¾	..	..	....	....	30	32	36	28¾	$1.50
Ind. Acceptance, "A"	26½	26½	..	....	25	..	..	26½	21¾	$1.00
Do., pref.	100	100	..	....	15	..	..	100	94	$5.00
Inglis, John	7½	7½	7⅝	— ⅛	410	..	..	9	6½	....
Int. Bronze Powders	14½	14½	..	— ⅛	37	..	..	15	14¼	.80
Do., pref.	26½	27	..	+ ½	150	..	..	27	22½	$1.50
Intercolonial Coal	35	..	..	....	....	..	..	35	30	....
Do., pref.	125	..	..	....	....	..	..	*125	..	$8.00
Int. Coal & Coke	30¼	..	..	....	....	31	35	30½	..	....
Inter. Metal Ind.	23	21½	..	— 1½	330	..	..	24¼	15	Int.
Do., pref.	105¾	105¾	..	....	35	..	..	110	99½	$6.00
Do., "A" pref.	105	..	..	....	....	105	105¼	105	101½	$6.00
Inter. Milling, 4% pref.	110	..	..	....	....	111	..	111	108	$4.00
Do., pref.	115½	..	..	....	....	..	..	116½	112⅛	$4.60
Inter. Nickel	33	33¼	32	— ¾	3881	..	..	35¾	28	$1.60
Do., pref.	148¼	..	..	....	....	..	..	148¼	..	$7.00
Int. Pulp & Paper	22	21¾	20¾	— 1	1860	..	..	23½	15	....
Do., pref.	91	92	..	....	5	..	..	93	90½	$5.00
Ins. Fete	21¼	21½	20⅝	— ⅛	5781	..	..	23	19¾	$1.00
Inter. Power	22	22½	..	....	85	..	..	27¾	20	....
Do., pref.	109	107¾	..	....	5	..	..	113	109	$7.00
Inter. Utilities, "A"	31	..	..	....	....	..	..	33	22	....
Do., "B"	19½	20	..	....	26	..	..	35	17	....
Jamaica Pub. Service	12	..	..	....	....	11	12	12¼	..	.60
Do., pref.	101	..	..	....	....	106	..	105	..	$7.00
Kelvinator	15½	..	..	....	....	..	..	16	..	....
Lake of Woods	26	26	..	....	50	..	..	26½	22½	$1.20
Do., pref.	140	140	..	....	5	..	..	140	..	$7.00
Lang & Sons	15½	16	..	— ¼	95	..	..	16	14	....
Laura Secord	15½	16	15¾	+ ⅛	450	..	..	16	12⅝	80c
Legare, pref.	13¼	..	..	....	....	15	..	13½	..	....
Lindsay, C. W.	8½	..	..	....	....	8	..	8½	..	....
Do., pref.	65	..	..	....	....	64	..	68	..	....
Loblaw, "A"	28	28¼	27½	— ¼	540	..	..	28¼	22½	$1.00(b)
Do., "B"	26	26	25½	— ½	155	..	..	26	23	$1.00(b)
Loews Theatres, pref.	100	..	..	....	....	100	..	100	..	$7.00
McKinnon Steel	3	..	..	....	....	..	10	4	1.50	....
Do., pref.	65	..	..	....	....	60	..	65	..	$5.00
Maple Leaf Gardens	14½	..	..	....	....	14½	15	14½	..	....
Do., pref.	9	..	..	....	....	9½	10	9½	9	Int.
Maple Leaf Milling	8¾	8¾	8	— ⅛	4455	..	..	8¾	5½	....
Do., pref	17	17½	17½	+ ½	395	..	..	17½	13¾	....
Massey Harris (new)	9	9	8¾	— ⅛	3645	..	..	9½	8	....
Do., pref. (new)	21¼	22	21	— ¾	2790	..	..	22½	19¼	$2.50
McColl-Frontenac	8	8¼	..	....	510	..	..	9¼	7¼	Int.
Do., pref.	107	107	106½	— ½	100	..	..	107	103½	$6.00
Mitchell Co., J. S.	54	..	..	....	....	49	..	54	..	Int.
Mitchell, Robert	25¾	26¼	24¼	— 1¼	377	..	..	27¾	16	Int.
Modern Container	19½	18¾	..	— ¾	100	..	..	19½	..	$1.20
Do., pref.	95½	..	..	....	....	105	..	100	..	$5.50
Monarch Knitting	3	..	..	....	....	5¼	6	5¼	..	....
Do., pref.	80	..	..	....	....	83	..	83¼	..	....
Montreal Cottons	75	..	..	....	....	73	..	78	..	$8.00
Do., pref.	131	..	..	....	....	132	135	132	126¾	$7.00
Montreal Loan	23	23	..	....	3	..	..	23	..	$1.25
Montreal L. H. & Power.	21¾	21½	21½	....	4595	..	..	22½	18⅝	$1.50
Do., 3% notes	49	48¾	..	— ¼	3000	..	..	50½	..	3%
Montreal Telegraph	37	..	..	....	....	37	..	37	..	....
Montreal Tramways	20½	20⅛	..	....	25	..	..	24	20½	....
Moore Corp.	57½	57½	57	— 1½	640	..	..	57½	47	$2.22(b)
Do., "A" pref.	200	..	..	....	....	..	..	205	..	$7.00
Do., "B" pref.	280	..	..	....	....	..	..	*280	*270	$7.00
Muirheads	2½	..	..	....	....	..	..	2	2½	1.70
Do., pref.	12	..	..	....	....	12	14	12	..	....
Murphy Paints, com.	14¾	..	..	....	....	15	18	15	14	80
Do., pref.	102½	..	..	....	....	105	..	105	..	$5.50
National Breweries	37½	37½	36½	— ⅜	400	..	..	37½	33⅞	$2.00
Do., pref.	45	45	..	....	35	..	..	46	45	$1.75
National Grocers	11½	11½	11¼	....	595	..	..	12	9½	Int.
Do., pref.	28¾	..	..	....	....	..	..	29	27½	$1.50
Nat. Sewer Pipe, "A"	22	22½	..	+ ½	100	..	..	22½	18	....
Nat. Steel Car	17	16¾	16	— ¼	3050	..	..	18	13⅝	$1.00
Niagara Wire	24½	23	..	— 1½	75	..	..	26	16½	....
Noranda Mines	57½	57½	57½	+ ⅜	1995	..	..	60½	48½	$4.00
North Star Oil	3½	4¾	4	+ 1	1520	..	..	4⅜	1.75	....
Do., pref.	5½	5½	5¼	....	700	..	..	5½	4½	35c
Ogilvie Flour	27¼	27	26½	— ½	70	..	..	27½	25	$1.00
Do., pref.	170	170½	..	+ ½	37	..	..	170½	162⅞	$7.00
Ont. Steel Prod.	15½	15	14½	— 1	165	..	..	17	15	$1.00
Do., pref.	120	..	..	....	....	116	..	112	..	$7.00
Orange Crush	4	..	..	....	....	3¾	3⅞	4	..	....
Do., pref.	9	..	..	....	....	8¾	9¾	10	..	....
Ottawa Electric	27	27	..	....	13	..	..	27	24	Int.
Ottawa Car	5	5	..	....	150	..	..	5½	4¼	Int.
Ottawa L. H. & Power	8	8	..	....	30	..	..	9	7	60
Do., pref.	89	91¼	..	....	2	..	..	91¼	..	$5.00
Page Hersey Tubes	96	..	..	....	....	94	..	99	93	$5.00
Penmans Limited	53½	55	..	....	5	..	..	55	48	$3.00
Do., pref.	134	..	..	....	....	135	..	134	130	$6.00
Photo Engravers	20	..	..	....	....	20	30	20	19	Int.
Porto Rico Power, pref.	119	..	..	....	....	..	..	119	110	$700
Power Corp	6½	6¾	6	— ¼	430	..	..	8	5¾	.30
Pressed Metals	11½	11⅞	10⅞	— ¼	1330	..	..	11⅞	6¾	Int.
Price Bros	30	30	28¼	— 1½	1550	..	..	31	19	Int.
Do., pref	101	..	..	....	....	100½	110	101	93¼	$5.50
Quebec Power	12¾	12½	..	— ¼	340	..	..	15⅝	12	$1.00
Regent Knitting	10⅝	..	..	....	....	10⅜	11	10⅝	10	Int.
Do., pref.	24	21	..	— 3	25	..	..	24	..	$1.60
Riverside Silk, "A"	26½	..	..	....	....	26½	27	26½	..	$2.00
Rolland Paper	11½	..	..	....	....	11	..	12	9	.60
Do., pref	103	103	..	....	25	..	..	103	..	$6.00
Russell Industries	28⅞	29	..	+ ⅛	430	..	..	29	23½	$1.20
Do., pref.	295	..	..	....	....	275	290	295	199	$7.00
St. Lawrence Corp.	3	3	2⅝	....	1185	..	..	3¾	2	....
Do., pref.	16	16	15¾	— ⅛	1340	..	..	16¾	13	$1.00
St. Lawrence Flour Mills	34	..	..	....	....	..	34¾	35	..	$1.00(b)
Do., pref.	140	..	..	....	....	..	..	140	..	$7.00
St. Lawrence Paper, pref.	59½	60½	58½	— 1	880	..	..	60½	40½	$3.00
Saguenay Power, pref.	104½	104½	..	....	100	..	..	104½	101⅞	$5.50
Shaw. Water & Power.	14½	14¾	14½	+ ⅛	1489	..	..	16½	13½	90c
Sherwin Williams.	19½	20	..	+ ½	155	..	..	20	15	60c
Do., pref.	142	141	..	....	5	..	..	142	139¾	$7.00
Sick's Brewery	23	..	..	....	....	23½	24	24½	22	$1.00
Do., V. T.	23½	..	..	....	....	..	23¾	23½	..	$1.00
Silverwood Dairy	11½	..	..	....	....	14	16	11½	..	.40
Do., pref.	9	9	..	....	38	..	..	9	..	.40
Simon & Sons	14½	15	..	+ ½	75	..	..	15	..	.60
Do., pref.	100	..	..	....	....	108	..	*104	*100	$7.00
Simpson, "A" stock	45	45	..	....	800	..	..	45	27	....
Do., "B"	29¾	27½	..	— 2¼	25	..	..	30	12	....
Do., pref.	114½	114	..	— ½	35	..	..	114½	106	$6.50
Southern Can. Power	9¼	9¼	..	....	155	..	..	11	8¼	80c
Standard Chemical	26	..	..	....	....	26¼	..	26	24	$1.25
Standard Paving	4⅞	4⅞	4⅝	— ⅜	485	..	..	5	3	....
Do., pref. (new)	14	15	..	+ 1	50	..	..	15	12⅜	Int.
Stedman Bros	29	..	..	....	....	28½	..	29	26	60c
Steel of Canada	68¼	68	67	— 1¼	393	..	..	69½	63	$3.00

EASY TREND ON STOCK MARKETS FOR PAST WEEK

Canadian Exchanges Follow Lead of London, New York On Peace Prospects

LOSSES PREDOMINATE

Easiness which has been in evidence in London and New York, with only spasmodic minor rallies, since the United Nations troops burst out of the Normandy bridgehead extended to the Canadian markets during the past week. Apprehensions regarding the duration of the conflict in Europe and doubts with regard to reconversion problems obviously are becoming market factors of increasing importance.

In contrast with the trend on Canadian markets for some weeks now when gains have exceeded losses by a more or less substantial margin, the past week saw losses predominating throughout the list with gains few and far between. Few gains which were registered were on issues that are infrequently traded.

Some fairly substantial losses were shown for the week. Canada Steamships pref. lost 5¾ and Canada Packers was off 5; Smelters dropped 4, Western Grocers 5 and Regent Knitting pref. 3; while Fanny Farmer and Simpsons "B" both declined 2¼ and Hiram Walker sold off 2. Abitibi pref., Seagrams, Gatineau 5 p.c. pref., Inter Metals, Moore Corp., Niagara Wire, Price Bros., and York Knitting all lost 1½ points while Robert Mitchell and Steel of Canada both sold off 1¼. Losses of a full point were registered by Abitibi 7 p.c. pref., Brazilian, Can. For. Investment, Can. Locomotive, Foundation Co., Gen. Steel Wares, Inter. Pulp and Paper, Ont. Steel Prod., St. Lawrence Paper pref., Steel of Canada pref., and Wabasso Cottons. Dom. Foundries, Inter. Nickel, Massey-Harris pref., Modern Containers, Nat'l. Steel Car, Tip Top Tailors, and Zellers all eased ¾; while Dryden Paper and Massey-Harris common each shaded ⅝.

On Curb markets, Reliance Grain lost 4 points; Canada Malting dropped 2½ and Fraser sold off 2; Brown Co. pref. lost 1⅞, Canada and Dominion Sugar 1½, and Celtic Knitting, Claude Neon pref., M. & O. Paper and Mercury mills all declined a full point. Maclaren eased ⅞, Consolidated Paper and Donnacona Paper ¾ each, and Dom. Engineering ⅝.

Caldwell Linen, Canada Wire "A", Crow's Nest Coal and English Electric "A" all came out up 2 points; while gains of a point were registered by Bell Telephone, Can. Celanese pref., Equitable Life, North Star Oil and Standard Paving pref. On the Curb, Quebec Pulp & Paper came out up 3 points; United Fuel "A" moved up 1½ and Reliance Grain pref. 1¼; while Dominion Squ. Corp. and Inter Paints pref. both gained a point. Quebec Telephone came out up ¾.

Some losses were shown during week among new $10 par bank stocks. Commerce, Montreal and Nova Scotia all moving off a full point and Imperial dropping ¾. Can. Nationale, on the other hand, added ¾ on the week.

WIDE GAIN SHOWN IN TORONTO VALUES

Stock Exchange Valuations End of August Up Over $2 Billion from 1942

Toronto—Quoted market value of the 592 issues listed on the Toronto Stock Exchange at August 31 totalled $5,303,517,070, compared with $5,290,180,741 a month ago and $4,738,441,884 for the corresponding month a year ago. Average price was $7.27 compared with $7.24 a month ago and $6.95 a year ago when listed issues totalled 547.

Total value of August 31 was almost $1,000,000,000 ahead of the valuation at August 31, 1939, of $4,345,029,000. From pre-war level, there was a sharp rise in the first month of the war, but declines followed and the values dropped nearly $500 million within the first 12 months of the year, over $600 millions within the first two years, and were down $1,100 millions by August 31, 1942, to $3,233,292,000. In the following year, to August 31, 1943, there was a sharp advance of just over $1,500 millions and a further gain in the past 12 months of almost $600 millions. Thus from the 1942 lows, the advance in the following two years to August 31, 1944, exceeded $2 billions.

The paper stocks have shown far the greatest percentage of improvement, current price of $272,726,000 being almost eight times the valuation of $35,962,000 on August 31, 1939. The textile group was more than doubled, from $35 millions to $76 millions, as did agricultural stocks.

Marlon Rouyn Mines, northwest of Noranda Mines, reports a hole is being drilled 100 feet north of No. 3 which returned $8.97 over 15 feet.

Heard in the BOARD ROOM

A GREAT number of companies will benefit from the order just issued by the co-ordinator of capital equipment and durable goods rescinding restrictions on manufacture, and cancelling the standardization practices imposed in the last few years. An indicaton that Canada has made great strides in the production of all kinds of metals, is contained in the list of articles that now can be produced. Steel drums, silver plated holloware, steel shaft sports goods, humidifiers, small electrical appliances, identification tags, elevators, wheelbarrows, bathtubs, metal furniture and eavestroughs. All these articles, including a long list of other articles on which the standardization practice is now lifted, will not, however, be manufactured in great quantities at first as the Wartime Prices and Trade Board warned that it will not ask for allocation of materials or labor for these goods, but it will permit, on the other hand, to supply civilian goods in increasing measure, without hurting the war effort and will also permit healthy and orderly reconstruction and rehabilitation of peacetime economy.

* * *

Monday, September 18th, ordinarily, would be a dividend action date for the directors of Montreal Light, Heat and Power, Consolidated, and it is believed that the question will come up as usual, although no approach has yet been made by either the company and the new Quebec Government in the matter of effecting a settlement. At the time of the last dividend meeting, in June, when it was decided by directors to defer action for the time being, the impression was that sentiment in the board was not unanimously against a payment.

CANADIAN CELANESE

(Continued from Page 1)

peries, bed coverings, shower curtains, lamp shades, etc., as well as in the manufacture of high-grade hosiery. The yarn is important as insulation for electrical wire and cable.

Other Celanese products now manufactured in the United States include "Fortisan", a yarn of great tensile strength, used in production of parachutes and balloon fabrics; "Celawol," a mixture of celanese and wool for suitings; and "Lanese," a blanket material which, woven with wool, is warmer than an all-wool fabric. In the United States plastic field the Celluloid Corporation, subsidiary of Celanese of America, has pioneered with great success in recent years. Canadian Celanese should benefit materially by the American company's past experience in these branches of the industry.

1943 Earnings Steady

The company's capitalization consists of $5,000,000 of 3½% debentures, 73,971 income funding rights, $10,000,000 of 7% cumulative participating preferred stock of $100 par value and 260,409 shares of no par value common stock.

The 1943 statement showed operating profits at $5,028,103, practically unchanged from the peak level of 1942. After provision for all charges, including $2,563,000 of income and excess profits taxes and $447,000 refundable tax, net profit was equivalent to $1.89 per share compared with $3.20 in 1942, $3.98 in 1941, $2.21 in 1940, $4.06 in 1939, $1.71 in 1938, $1.97 in 1937 and $2.54 in 1936. It will be noted that the company's earnings have shown great stability during periods of widely fluctuating business conditions. Due to the operation of the 100 per cent excess profits tax, earnings per share are now limited to $1.89, which is slightly less than the current $2.00 annual dividend rate. However, the difference is small, and can be made up, if desired, out of the company's large accumulated surplus. In fact at the last annual meeting, the president intimated that it was the policy of the board to continue payments at the $2.00 rate. Including refundable tax, profits last year were equivalent to $3.43 per share against $3.98 in 1942. Profits applicable to the preferred in 1943, including the refundable portion of taxes, were equivalent to $12.46 per share compared with $16.25 in 1942, $18.53 in 1941, $13.41 in 1940, $18.77 in 1939 and $11.95 in 1938. The preferred stock's participation in earnings (10 per cent after preferred dividend) was 55 cents in 1943 as compared with $1.15 in 1942, 60 cents in 1941, $1.16 in 1940, 50 cents in 1939 and 54 cents in 1938.

Since the beginning of 1939 the board has distributed dividends at the rate of $1.00 annually, plus extras. Payments for 1943 totalled $2.00 in 1942 and 1941, $1.90 in 1940, $2.85 in 1939, $1.00 in 1938 and $1.00 in 1937 and 1936.

At the end of 1943 net working capital was $261,846 higher, at the record level of $5,864,628. Current assets, which included $1,138,136 of cash and $3,741,824 of investments, totalled $7,832,356, as against $1,967,728 of current liabilities.

CANADA PRODUCES A LARGER WHEAT CROP THAN IN '43

Prospect Is That It Will Be Hundred and Fifty Million Bushels Greater

BIG HARVEST OF OATS

Ottawa — Canada's 1944 wheat crop has been placed at 447,656,000 bushels, third highest since war started, in the first estimate of production of principal grain crops, the Dominion Bureau of Statistics reports.

Compared with the third estimate of the 1943 wheat crops, this year's production is 154,000,000 greater, said the Bureau. The wheat crop in 1942 totalled 557,000,000 bushels and in 1940 it was 540,000,000 bushels.

Production of wheat in the Prairie Provinces this year is estimated at 423,000,000 bushels compared with 277,000,000 bushels in 1943, continued the Bureau. The 1944 crop includes 11,000,000 bushels of amber durum wheat divided equally between Manitoba and Saskatchewan compared with less than 7,000,000 bushels produced by these provinces in 1943. The average yield of wheat is estimated to be 18.3 bushels an acre compared with 16.6 bushels in 1943.

Ontario accounted for most of the wheat produced outside of the Prairie Provinces. Production of winter wheat there this year is estimated at 20,708,000 bushels and spring wheat at 771,000 bushels, making a total wheat crop of 21,479,000 bushels. Some winter wheat is produced in Alberta, but the quantity is relatively small and is included in the spring wheat total for that province.

Coarse Grains

Production of oats in Canada this year is estimated at 526,138,000 bushels compared with 482,022,000 bushels in 1943, an increase of approximately 44,000,000 bushels, said the Bureau. This increase is due largely to the better crop in Ontario where production is placed at 65,000,000 bushels compared with about 35,000,000 bushels last year. The oats crop in Western Canada is only slightly above that of last year, but acreage in 1944 was 1,342,000 acres smaller than in 1943.

Barley production in 1944 is smaller than a year ago despite a fairly substantial increase in the size of the Ontario crop. The new crop is estimated at 203,776,000 bushels for the Dominion compared with 215,562,000 bushels produced in 1943. Acreage seeded to barley in Western Canada in 1944 was about 1,000,000 acres less than a year ago and this more than offset the better yields per acre in the prairies.

A larger rye crop is indicated for 1944, production in Canada of both spring and fall rye being estimated at 10,581,000 bushels compared with 7,143,000 bushels in 1943.

The flaxseed crop this year promises higher yields per acre, but the acreage in the prairies was sharply reduced this spring and the western crop is little better than half of the 1943 production. The total flaxseed crop in 1944 is estimated at 10,082,000 bushels compared with 17,911,000 bushels produced a year ago.

NEWSPRINT IN AUGUST

(Continued from Page 1)

255 tons, at which figure they were over 7,000 tons greater than in July and about 12,300 tons in excess of figure for August last year. Domestic shipments were lower at 15,357 tons which compared with 15,585 tons in July and 16,376 tons in August last year.

August shipments were equivalent to 71.5 per cent of rated mill capacity; this compared with shipments in July equal to 70.2 per cent of capacity and August 1943 shipments at rate of 70.4 per cent of capacity.

Shipments and production by United States mills decreased 22.6% and 24.2% respectively from the levels reported in August 1939. Shipments exceeded production by 586 tons and stocks held by United States mills decreased by that amount.

Newfoundland shipments declined 73.6% from August 1939 while production declined 17.6%. Shipments to United States customers increased 38.4% while Overseas shipments declined 92.2% compared with August 1939. Production exceeded shipments by 13,160 tons and manufacturers stocks increased accordingly.

Stocks of all North American manufacturers increased 563 tons in August and amounted to 117,698 tons at the end of the month. At the end of August 1939 manufacturers stocks amounted to 301,430 tons.

MONTREAL BORROWINGS UP

Collateral borrowings by member firms of the Montreal Stock Exchange and Curb Market, continued their recent upward trend during August. Loans at end of August are shown at $11,239,000, an increase of some $400,000 for the month and of nearly $3,000,000, or 25 per cent in the past year.

Canada's Twentieth Century Could be At the End of This War

(Continued from Page 1)

is only because they doubt their own ability to do things right, from the beginning; because the more cautious fear too fast a pace and the less cautious fear that they will be held back unduly. Canadians thus are not worried about their power to set things right, but only about their probable inability to start off on the right foot.

There is nothing that can be done about it, it would seem, since a sovereign people has always insisted that the primary attribute of such a sovereignty is the right to make a mistake. But where the source of the innate confidence really is to be found is in the certainty that with the application of at least a measure of intelligence and a large amount of goodwill, there is little that this country could not acomplish in the years to come.

* * *

Where then is Canada different from what it was five years ago? In 1939 Canada was a senior Dominion, a member of the Commonwealth and a large export power in her own right. Today, Canada is the same things; but she is also a recognized major partner in the greatest common effort the free world has witnessed in its long bloody history. She has acquired a political reputation for dealing honestly, independently and without reservation from the top of the deck. She has shown her own flag and has bandied her own name about the skies and the fields and the diplomatic meeting places and she has been accepted as a full partner, whose word is worth listening to. She has finally been granted the right to have a major opinion about the shape of the world to come and she has earned the right, not by marriage or adoption, but because of her own efforts.

Internally, Canada has learned to do many things. She has learned that some day soon she will have to review the contract that binds the provinces together, and that she can no longer pretend to be perfectly all right the way she is, but that she must alter her internal structure sufficiently to conform to her larger responsibilities and capacities. Economically she is prepared for a great number of contingencies. Her various industries are able to make things which we formerly had to buy abroad. We can still afford to deal with suppliers abroad, but, if their manner should not be to our liking we can bid adieu and buy at home. In our industrial diversification we have forged a weapon which we can use or which we can let remain idle, should we find something better to do. In our agricultural industry we have spread the benefits of diversification into areas which were reputed to be one-crop country. In our man power we have trained reserves and we have the machinery to apply these reserves where they may be needed.

We have learned that legislative methods can be used to control where control is necessary, without having taken away from the populace the right and efficacy of protest and ballot.

Canadian confidence is based primarily on the fact that, regardless of the outcome of constructive effort, the future of the country is largely in the hands of the people residing within it.

Canada, after this war, could duplicate the development of the United States after the war between the states. This does not mean that Canada should strive to top the 100 million mark. Mere numbers never have made for greatness, except in the field of battle, which we are supposed to be leaving behind soon and for ever. Canada's West can develop, without great strains on the imagination, in the same manner in which the western U.S. developed after the Civil War. There are areas which have yet to be opened up, and settlements which have yet to be populated. There are powers which have yet to be harnessed and fields which have yet to be tilled. There are people at home and abroad waiting for the signal to go to work; to make out of Canada what Sir Wilfrid Laurier said she would be.

We have now the skills, the reputation, the honor, and the resources, the spirit and perhaps also the determination to make this, the coming end of the war, the beginning of Canada's Twentieth Century.

CANADA PACKERS

(Continued from Page 1)

vious balance sheet were redeemed during year.

Report points out that net earnings for year were at second highest level in history of company but that, at 4-5 of 1 per cent of sales, margin of net profit was second smallest in company's history; low point in this respect was reached in 1932.

Data on the packing business during the year, on shipments to the United Kingdom, etc., is presented in the report, among which are the following:

Bacon shipments to Britain in the first five months of 1944 totalled 900,000,000 lbs., against 560,000,000 for all of 1943.

Farm cash income from sales of livestock totalled $449,716,000 in 1943, against $383,400,000 in 1942.

Farm cash income from sales of animals plus animal products (eggs, butter, cheese, milk, etc.) totalled $834,184,000, against $718,166,000 in 1942, $364,224,000 in 1939.

In connection with proposed change in capital structure of company, it is announced that it will be presented to shareholders at a special general meeting to be held in conjunction with annual meeting in Toronto on Friday, September 29th. It is pointed out that the Class A shares shall be entitled to a cumulative preferential dividend of $1.50 per annum and shall be entitled to participate in any dividends over and above $1.50 per annum on the Class B shares. The Class B shares shall be entitled to a non-cumulative dividend of 75c per half-year, when declared by the directors. Both class of shares shall be entitled to one vote per share, but holders of the Class A shares shall be entitled, in the event of the dividends on their class being four half-yearly payments in arrears, to elect a majority of the board of directors.

Sawyer-Massey Plans Peace-Time Operations

Toronto — Officials of Sawyer-Massey, Ltd., are reported to be planning for peace time operations and are looking over products which the company can manufacture after end of hostilities.

During the war the company has been producing war materials and has a plant and organization which can be turned to normal production when the need for armaments is ended.

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CONFIRM CHANGE IN CONTROL FOR WESTERN GROCERS

Acquisition of Controlling Interest by Garfield Weston Announced by Both Parties

SAME MANAGEMENT

The sale of control of Western Grocers Limited to W. Garfield Weston, industrialist, financier and member of the British House of Commons, was confirmed in Toronto recently by W.P. Riley, president and general manager of the company, and by Mr. Weston.

During the past year Mr. Weston has also acquired control of the E. B. Eddy Company Ltd., J. R. Booth Ltd., Somerville Ltd., and other important concerns. His latest acquisition is regarded as further evidence of his "bullish" attitude towards Canada. Mr. Weston gained control of Western Grocers Ltd. by the purchase of both preferred and common shares from Mr. Riley and his associates.

In discussing the matter Mr. Riley said, "A mystery has been made of a very simple affair. Three times in recent years I have had offers for control of this company. One was from an American concern. I was not satisfied that the futurre course of the company would be in accordance with the traditions we had built up, and fair to the organization which had helped build it up. The two other offers were from Canadians. Mr. Weston first approached me about two years ago, and I am convinced that his record with other companies, and his ideas for the future, are in line with those held by us.

"I did consult, of course with the directors and officers of the company, and they had the same opportunity I had to contribute the shares necessary to give Mr. Weston control. It was not possible to consult all the shareholders, and do what we wanted to do. Nor did I think it necessary. Not a single shareholder has been harmed by the sale of control. In my belief, the value of the shares will be, if anything, enhanced by what has occurred

To the president's statement Mr. Weston added his opinion that the transaction should be regarded as a private one between individuals. "No consultation with other shareholders was necessary," he declared, "because it does not entail any change in the company's management or direction.

"Mr. Riley and his fellow-officers, who have made such a success of this company in the past, will still be directing its affairs, and I could not have made this purchase if Mr. Riley had not been convinced that my position in the company would be of advantage in the future.

Riley Still at Head

"Nothing has occurred that will not be of advantage to the stock, and those who hold would have the same advantage out of the future that I hope for in buying the stock. I am especially happy that Mr. Riley remains at the head of the company. You know from what I have done in the past in the way of creating profitable enterprises, or buying established enterprises, or merging with others, that it has been a principle of management with me to leave good men alone.

"If the political parties which are in power are big enough to grasp the opportunities that are ahead of Canada in the next 10 years, the moneys of the world will flow in here for development. The fact that Mr. Riley and I have just recently agreed on the transfer of control of Western Grocers shows that we are both confident (he as a westerner and I as as an Easterner) that no matter what political party is in power, they will have men of sufficient calibre to see this era of opportunity, and to take advantage of it."

Western Grocers Ltd., whose head office is at Winnipeg, Man., operates branches at Calgary, Edmonton and Lethbridge in Alberta; Moose Jaw, North Battleford, Prince Albert, Regina, Saskatoon and Yorkton in Saskatchewan; Brandon, Dauphin, Flin Flon, The Pas and Winnipeg in Manitoba; and Fort Frances, Kenora and Port Arthur in Ontario.

The company is capitalized as follows:—Seven per cent cumulative preference shares of $100 each —authorized, 25,000 shares, issued, 11,943 shares; common shares, n.p.v.—authorized, 30,000 shares, issued, 16,943 shares; total capital stock, $2,217,162.74 as per last annual report.

Subsidiaries of Western Grocers Ltd. are Dominion Fruit Ltd., H. H. Cooper Ltd., W. H. Malkin Co. Ltd., and Gateway Grocers Ltd., from which sources the parent company received in 1943 cash dividends of $113,572, and a stock dividend of $70,000.

Commenting further on the transfer of control Mr. Riley said, "This has not involved the stock market at all. The control of this company was with myself, the staff and the directors. Not one of us bought a share on the market, and not one of us has an ulterior motive that need alarm anybody. Mr. Weston has bought enough preferred and common shares to give him control. Nothing else is changed. The company is exactly the same in other respects as it was three months ago."

COCKSHUTT PLANS

(Continued from Page 1)

have served in the production of vital war materials. Our post-war committee is composed of executives who are watching trends and keeping in close touch with developments. Research is being carried on constantly by our engineering department and data covering proposed new and improved lines is receiving the required consideration by those responsible.

"The inevitable continued mechanization of the Canadian farm," Mr. Cockshutt concludes, "will mean a more widespread use of all kinds of farm machinery and Cockshutts look to the future with confidence as we plan to further serve the Canadian farmer whose contribution to the war effort has been nothing short of an agricultural miracle."

Dividends Declared

And Other Official Notices

GOVERNMENT OF THE PROVINCE OF ALBERTA

NOTICE TO HOLDERS OF PROVINCE OF ALBERTA DEBENTURES WHICH MATURED SEPTEMBER 15, 1942

The Province of Alberta will pay interest to bona fide holders of debentures of the above issue at the rate of two and one-half per cent per annum in respect of the half-year ending September 15, 1944, being at the rate of $12.50 for each $1,000 denomination.

Holders will be paid interest as above on presentation of their debenture or debentures for notation thereon of such payment of interest, at any branch of the Imperial Bank of Canada in the Dominion of Canada, or at the Bank of the Manhattan Company, in the City of New York, in the United States of America. Debentures should be accompanied by the usual ownership certificates required by the Dominion Government as in the case of coupons.

Dated at Edmonton, Alberta, this 15th day of September, 1944.

(Sgd.) S. E. LOW,
Provincial Treasurer.

(Extract from The Alberta Gazette for September 15, 1944.)

CANADA PERMANENT MORTGAGE CORPORATION

Notice is hereby given that a Dividend of TWO PER CENT on the paid-up Capital Stock of the Corporation has been declared for the current quarter, and that the same will be payable

MONDAY,
THE SECOND DAY OF
OCTOBER

next, to Shareholders of record at the close of business on the Fifteenth day of September 1944.

By order of the Board.

Walter F. WATKINS,
Secretary.

Toronto, August 17th, 1944.

THE SHERWIN-WILLIAMS COMPANY OF CANADA, LIMITED

Notice is hereby given that the one hundred and thirty-third quarterly dividend of one and three-quarters per cent (1¾%), being at the rate of seven per cent (7%) per annum for the quarter ending August 31, 1944, on the Preferred Stock of the Company has been declared payable to Shareholders of record the 10th day of September, 1944, and that cheques will be mailed October 2, 1944.

Books not closed.

By Order of the Board.

P. W. HOLLINGWORTH,
Secretary-Treasurer.

Montreal, Que., September 1, 1944.

THE Calgary & Edmonton Corporation Limited

Notice is hereby given that a dividend of five cents per share was declared 25th August, 1944, payable 16th October, 1944, to shareholders of record at the close of business on the 9th day of September, 1944.

Payment of the said dividend has been approved by the Foreign Exchange Control Board.

The Transfer Books of the Corporation will be closed from the close of business on the 9th day of September, 1944, to the opening of business on the 20th day of September, 1944.

BY ORDER OF THE BOARD
C. E. REECE,
SECRETARY.

Dated at Winnipeg, Man., this 5th day of September, 1944.

THE MONTREAL CITY & DISTRICT SAVINGS BANK

DIVIDEND NOTICE

A dividend of three per cent on the paid-up Capital Stock of this Bank, has been declared for the current quarter, payable on and after Monday, October 2nd next, to shareholders of record. Friday, the 15th day of September next, at three o'clock p.m.

By order of the Board.

T. TAGGART SMYTH,
General Manager.

Montreal, August 29, 1944.

Provincial Paper Limited

DIVIDEND NOTICE

Notice is hereby given that regular quarterly dividend of 1¾% on Preferred Stock has been declared by PROVINCIAL PAPER LIMITED payable October 2nd, 1944 to Shareholders of record at close of business September 15th, 1944.

(Signed) W. S. BARBER,
Secretary-Treasurer.

City of Windsor 3¼%
Brown Co. Pfd. & Com.
Richmond Bay 6½s
C.I.L. A, B & Pfd.
St. Cath.-Stanley Rlty.
B.C. Pulp 6s & 7s
Abitibi 5s of '58

A. J. Pattison, Jr. & Co.
Established 1907
Royal Bank Bldg. EL. 5101 Toronto
THIRD FLOOR

Trust & Guarantee
Wellington Bldg. Bonds
Manufacturers Life
Burns Co. A, B & 5s '58
Minnes. & Ontario Com.
Confederation Life
Atlas Steel Pref.

INDUSTRY IN WARTIME

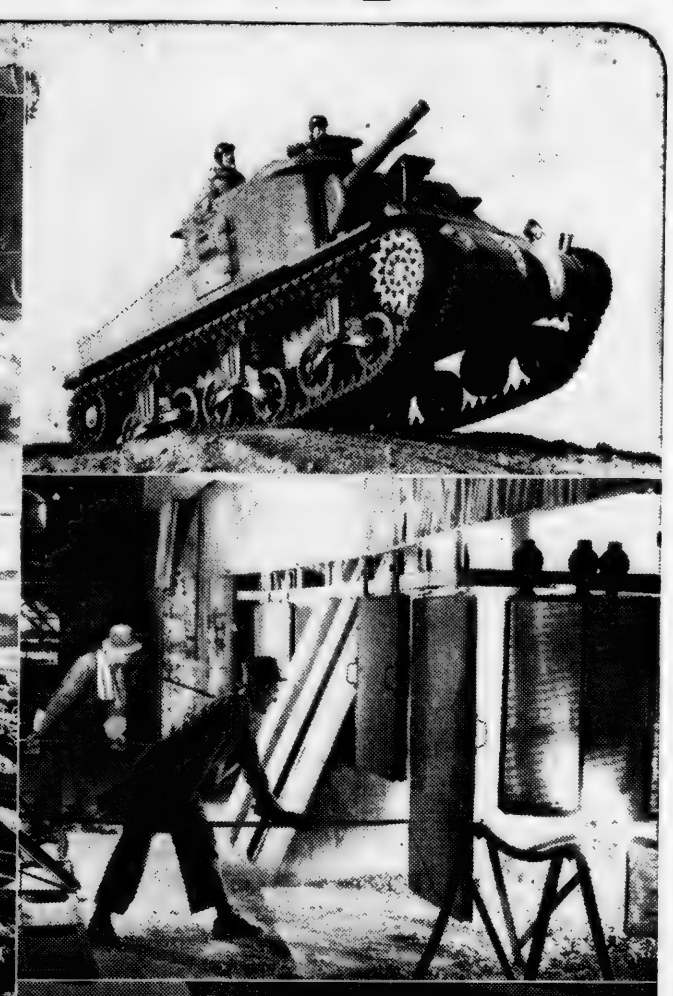
The Financial Times

INDUSTRY IN WARTIME

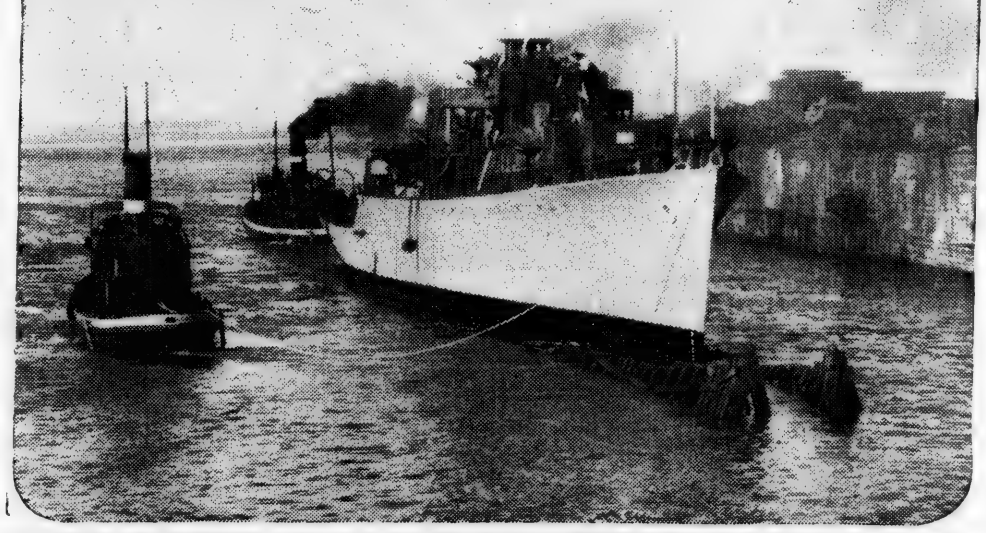
VOL. 33, NO. 14 — MONTREAL, FRIDAY, SEPTEMBER 15, 1944 — 10c A COPY, $3 A YEAR

Canada at War, is Preparing for Peace

Valentine Tanks Produced at the Angus Shops of The Canadian Pacific Railway Company



ABOVE—Just a part of One Day's Output of War Vehicles from a Canadian Automotive Plant. From the Huge Factory at Sorel, Quebec, Comes a Steady Flow of Field Guns; in a Sprawling Plant Covering More Than Fourteen Acres Thousands of Workers, Using Hundreds of Special Machines, Are Producing Guns and Carriages; the Two Field Pieces Shown Are Just About Ready for Action.



ABOVE—The Illustrated Tank has Reached a Fine Peak of Efficiency on Rough Ground.— These Workmen are Tending Carbide Blast Furnaces in the Plant of Defence Industries, Ltd., which is Turning out Huge Quantities of War Chemicals, Among which are Those Used for Smoke Screens. — Mechanics, Electricians Painters and Experts in Various Lines Take over Bombers as they Reach the Final Stages of Assembly in a Montreal Plant. To the Left the Scene is the Launching of H.M.C.S. Poundmaker at the Plant of Canadian Vickers Limited, a few Weeks Ago.

Fourth in production achievement of all United Nations, the Dominion of Canada has set up a mighty record of output during past 4 years. In volume, it was overshadowed, naturally enough, by United States, Russia and the United Kingdom; but in timeliness, variety, and quality it constituted a major factor in the Allied swing from desperate defence to victorious attack.

From Canadian shipyards have come 232 cargo vessels and 356 armored naval craft. From Canadian aircraft plants have come nearly 11,000 planes. From automotive plants have come 560,000 units of mechanical transport and more than 31,000 armored fighting vehicles. From the small arms factories came nearly one million machine guns and small arms units. From the gun shops came 83,000 units, including Army and Navy guns, barrels, carriages, and mountings. From Canadian arsenals and shell-filling plants came 59 million rounds of heavy ammunition and three billion rounds of small arms ammunition. From the chemicals and explosives industry came an output of one million tons. From the signals instruments and communications industry came $282 million worth of supplies. From general manufacturing has come millions of dollars worth of stores and furnishings for military establishments, millions of dollars worth of personal equipment for the services. More than $1.38 billion has been spent on construction. Steel production has increased to three million tons a year, double the peacetime output. The aggregate refined production of copper, nickel, lead, and zinc has risen 20 per cent over 1939 output. Power installations produced a total of 10 million horsepower, an increase of about 21 per cent over 1939.

Behind these cold figures lies the story of an industrial evolution of vast potential effect upon the destiny of the Dominion. For by this prodigious effort the nation learned its own strength, while serving its own freedom. The figures, imposing enough in bulk, merely suggest the magnitude of the achievement.

Fourth as Munitions Producer, She Looks for Important Place in World Trade

By HON. C. D. HOWE,
Minister of Munitions and Supply

CANADIAN industry has played a very real and vital role in the war effort of the United Nations. While men and women with the Canadian services have fought and toiled on the far-flung battlefronts of the world, a million Canadians at home have served in another army—the army of the industrial front.

With the rugged tools of industry, the subtle accuracies of laboratory techniques, the humdrum tasks of office routine, these millions at home have done and are doing their share to maintain the war effort.

There has been a place and need for every strength and skill, for the generalship of shrewd brains, for the power of brawny shoulders and the craft of nimble fingers. There has been a place and need for every pound of metal, every foot of timber, every unit of water-power, every tool, every machine, and every factory that could be adapted to the manufacture of munitions and supplies of war. Almost every human and material resources of a Dominion that has found its strength for the first time has been drawn and blended into production on a gigantic scale.

It has taken four years, and victory is now in sight. There was 1940—a year of plans and small beginnings, with the first trickle of war supplies from the few sources immediately available in a land tuned to the arts of peace. There was 1941—a year of construction, of conversion and expansion, of vastly broadened plans, and of quickened output in answer to the darkening urgencies of the time. There was 1942—a year of rising production, a year of objectives reached and passed in the face of perils, problems and confusions. And then in 1943, a year of output so heavy that the industrial capacity and the national economy groaned beneath the stress and strain, a year that ended with Canadian employment at an all-time high, a year that saw shifts and changes in the Canadian production flood—a turbulence of the waters in response to the rising tide of war.

Fourth in production achievements of all United Nations, the Dominion has set up a mighty record of output. In volume it has been over-shadowed, naturally enough, by the United States, Russia and the United Kingdom; but in timeliness, variety, and quality it has constituted a major factor in the Allied swing from desperate defence to victorious attack.

From Canadian shipyards have come 302 cargo ships and 422 armored naval craft. From Canadian aircraft plants have come more than 13,000 planes. From automotive plants have come some 60,000 units of mechanical transport and more than 40,000 armored fighting vehicles.

From the small arms factories have come more than one million machine guns and small arms units. From the gun shops have come more than 50,000 complete artillery units. From Canadian arsenals and shell-filling plants have poured 100 million rounds of heavy ammunition and four billion rounds of small arms ammunition. From the chemicals and explosives industry has emerged an output of more than 1,300,000 tons.

From the signals, instruments and communications industry have come $400 million worth of supplies. From general manufacturing have come millions of dollars worth of stores and furnishings for military establishments, millions of dollars worth of equipment for the services. More than $1.38 billion has been spent on construction.

An Industrial Evolution

Behind these cold figures lies the story of an industrial evolution of vast potential effect upon the destiny of the Dominion. For by this prodigious effort the nation has learned its own strength while serving its own freedom. These figures, imposing enough in bulk, merely suggest the magnitude of the achievement.

It is no simple task to convert and expand a country's industrial capacity from the relatively simple needs of peace to the specialized and ever-changing demands of war. The worker who makes refrigerators must learn new skills if he is to make machine guns. The factory that turns out bicycles must have new machinery if it is to produce aircraft parts. And when the worker is trained and the plant equipped, there is no guarantee that the acquired skills or the special capacity will fit into the changing pattern of production to end the war. Had that been the case, had mere volume been the objective, the figures would have been even more imposing.

War, however, is not static. No war production plan can achieve ultimate balance and standardization. The secret weapon of today is the obsolete weapon of tomorrow. The guns of defence are not the guns of attack. A munitions program aims at its own dissolution and it is subject to subtractions and additions, to expansions and contractions, in direct relation to its own success.

The munitions and war stores that poured from Canada's industrial front at the production peak in 1943 differed widely in variety and kind from equipment produced in 1940. Weapons made obsolete by improvements in the enemy's defensive armament, such as the Boys' anti-tank rifle, had been cut from the list. Standard equipment, such as the universal carrier, had undergone scores of improvements as a result of lessons learned in the factory and on the battlefield. Fleet, new weapons such as the Canadian designed 25-pounder self-propelled gun mount have been produced in quantity, and have seen rugged action on the plains of France. Supplies accumulated in heavy reserve by reason of the great output, were being produced in diminished quantity. Heavier and more difficult assignments, such as production of the Mosquito aircraft, the Lancaster bomber, and a long list of secret devices, had been given to Canada on the basis of the nation's newly developed and proven capacity.

Many Problems Solved

The production figures, therefore, take on new meaning when it is realized that they were achieved not as the climax of an uninterrupted and steadily increasing flow, but as the peak of an output achieved in the face of constant changes, which, in turn, were complicated by shortages of materials, tools and skilled labor.

For every yard building merchant and combat ships, for every aircraft plant rolling out bombers for Britain, for every shell plant turning out rounds of ammunition, there are scores of shops, yards and factories in all parts of Canada turning out components and fittings. Every major production plant, in fact, draws from dozens of contributory sources which could be compared to the cross-threads of a great web, with the various production programs as the main radial threads, branching out from a common centre. The smallest thread is an integral part of a complete and intricate structure, firmly knit and held together.

The structure is shaped, balanced, and united by the Department of Munitions and Supply through its two main functions of direction and co-ordination. Without the exercise of these two vital functions, the web would collapse into a tangle of unrelated threads.

Canada is the only country of the United Nations which purchases all war supply through a single agency. The Department of Munitions and Supply lets contracts and allots orders not only for war stores on behalf of the Canadian armed forces, but also on behalf of the other United Nations. It has facilitated production by helping to convert and expand peacetime industries, by the construction of new plants, by the establishment of whole new industries under government management, and by controlling raw materials and services so that every available resource of the nation could be channelled into the war program. All this has demanded a high degree of co-ordination both within industry and between the Department and all other administrative bodies of Canada's wartime government.

It must not be forgotten that the Government Controls form a very important part of Canada's working wartime economy. In the early stages, restrictions held the spotlight. At that time it was necessary to put the brakes on "business as usual" in order to convert industrial capacity and supplies of raw materials from non-essential to essential wartime channels. The fact is frequently overlooked, however, that restrictions would have been much more severe had it not been for positive action to expand the resources of materials and services under control.

In effect, Canada's steel production has been doubled since the outbreak of war, to a present annual total of three million tons. Coal production has gone up by more than two million tons since 1939. Installed horsepower is at an all-time high of ten million as against 8.2 million horsepower four years ago. Aluminum output is more than six times that of 1939. Output of sawn lumber reached a peak of 4.9 billion feet in 1941, one billion feet over 1939 production, and is now at an annual rate of about 4.6 billion feet in spite of critical labor shortages. All these increases represent positive action as against the restrictive control measures whereby, for example, retail coal sales are regulated, dimouts are ordered in certain industrial areas, some metals are unavailable for many lines of consumer goods, and non-essential construction is curtailed to save lumber and other materials.

Canada has been living in the shadow of extraordinary dangers. To meet those dangers, extraordinary measures have been necessary. They have demanded sweeping changes in Canadian life, in the national economy, and in the adaptation and expansion of the industrial machine to the arts of war. These have brought in their wake new capacities and new abilities which should prove of inestimable value to Canada when the world returns to peace.

Automotive Industry Has Done Tremendous War Job

Now Producing Over 100 Different Types of Vehicles at the Rate of 3,800 Units a Week — Output Covers Wide Range of Transport And Fighting Vehicles — 1943 Output Valued at More Than $400 Million

IN THE van of Canada's major wartime industrial program — a program which has helped to place the Dominion fourth among the United Nations as a producer of war supplies — stands the output of automotive vehicles.

More than 100 different types of motorized military equipment leave Canadian assembly lines at the rate of 3,500 units of mechanized transport and 300 fighting vehicles each week.

The list includes universal carriers, scout cars, artillery tractors and trailers, troop and ammunition transports, service workshops, radio trucks, ambulances and fire trucks. In point of value—more than $400 million in 1943—the output ranks as the biggest production job in the history of the nation.

The Canadian automobile industry, which even before the outbreak of hostilities, had collaborated with army engineers in designing vehicles for military purposes, now extends over an area of more than five million square feet and employs in excess of 30,000 men and women.

To make possible the tremendous output and to conserve precious raw materials, the manufacture of passenger automobiles was stopped early in 1942. Since then, the entire industry has concentrated on supplying vehicles for Canada's armed forces and those of other United Nations.

In the last war mechanical transport was used largely for load-hauling behind the lines. The trend in post-war years, however, was towards vehicles of distinctly military design, for specific military requirements, and Canadian Army officials who watched British field trials and manoeuvres kept in close touch with the steady progress in mechanization. In the early twenties, for instance, the British Army developed a six-wheel load carrier which is still recognized as one of the best of its type. The patents were made available without charge to manufacturers throughout the Empire. Commercially impractical because of its heavy consumption of gasoline and tires, it was an outstanding example of a vehicle specifically designed for military use.

New Equipment Types

Experiments with new types of mechanized equipment especially designed for military use were also carried on by Canada's Department of National Defence, and each year representatives of the major automobile companies were invited to Petawawa to see and to discuss new developments. As a result certain distinctly Canadian types of equipment were produced in exprimental quantities for the Canadian Army.

During the years prior to this war, Canada was groomed as the prime producer of mechanized equipment for the British Empire in the event of armed conflict. The policy of the Department of National Defence had been to standardize war equipment with the British War Office; in addition, the products of two Canadian automobile companies were in use in most Empire countries and the two firms agreed as early as 1936 to merge their resources of war production.

Consequently when the war came, the government was able to embark on an extensive program of automotive production. The first order —for gun tractors—was placed late in the autumn of 1939. It was possible to call for materials in December and delivery of the first tractor was made in March, 1940. The gun tractor being a basic unit, it was a comparatively easy matter to expand from that to small trucks, then to larger units, and from there on to the many other types that now make up the varied list of Canadian motorized equipment.

Until the first military vehicles came off the assemby line, the nation's automotive program was based almost entirely on Canadian needs. But before production was fully in its stride, France had capitulated and the British armies were forced to leave nearly all their equipment on the beaches of Dunkirk. It was then that Britain turned to Canada to replace these castastrophic losses.

First Order in 1940

In July, 1940, the British placed in this country the first order, amounting to 7,000 vehicles, and from then on all limits were removed from the automotive program. But it was not only from Britain that the call for increased production came. Canada's armed forces were growing. The Dominion needed equipment for its own Army and so did other members of the Commonwealth and countries allied with the British Empire. Furthermore, the increased mechanization of armies had made it evident that Canadian industry would be called upon to meet unprecedented demands for transport. To accomplish this immense expansion, it was necessary to weld the automotive industry into a powerful war output source.

In peacetime, the industry is highly competitive. The ingenuity of production men is continually applied to the task of creating a better product at lower cost. No economies are too small to be overlooked, for in mass production a few cents saved on the cost of one part will amount to thousands of dollars in the course of a year. Trade secrets in this competitive business are jealously guarded.

Nevertheless, since the beginning of the war, the entire Canadian automotive industry has operated as a co-ordinated unit. Just as interchangeability of parts is a feature of the ordnance program, so interchangeability and standardization of design are important features of Canada's wartime automotive production. In complete contrast to peacetime competition, this free exchange of services and ideas is a primary element of the program and is a major reason for Canada's outstanding success in this field of war supply.

Production in Early War Years

During the first fifteen months of the war, nearly 80,000 Army vehicles were turned out. The period was marked by constant research, and the lessons learned after the Battle of France were applied to new designs. Gradually the problems of re-tooling for war were overcome; hundreds of unskilled workers were trained to new tasks, and scores of subsidiary firms swung into mass production. Canada was well on her way to reaching capacity output.

As old problems were solved, new difficulties arose. With such strategic materials as tin and rubber in short supply, with the United States facing war, and with Canada's output along other lines consuming enormous quantities of materials, all war industry faced supply problems. Without sacrificing quality, the automotive industry was asked to maintain production with less rubber, less brass and copper, and less alloy steel; to make the fullest use of its existing machine tools capacity.

Always conservation-minded, the industry met this challenge with characteristic vigor. Scores of eliminations and substitutions were evolved to save critical materials, to release scarce machine tools. As a typical minor change, one company saved 14 tons of rubber annually by substituting wood for rubber in the handle of an inspection lamp. A total of 7,000 tons of steel a year was saved by modifying the design of tire chains originally specified by Army authorities. The new technique of centrifugal casting enabled one company to save 1,200 tons of metal a year in the manufacture of a small steering knuckle. Hundreds of design changes were effected on the universal carrier alone, with a reduction of 24 per cent in the cost of the unit.

By 1941, Canada was, in effect, the prime source of mechanized transport for the British Empire. Vehicles were being shipped to Britain, South Africa, Australia, and other actual and potential theatres of war. Canadian-built trucks not only helped to bolster defences in the United Kingdom but they played an important part in the East African campaign, the re-conquest of Abyssinia, and the capture of Italian colonial possesions. More than half the load carriers used by the British Eighth Army in the African desert were made in Canada.

Armored Vehicles

Production of armored vehicles, among them the armored scout car, armored reconnaissance car, and armored personnel vehicle, began during 1941. Some difficulty was encountered at first in bringing them into production. Time and time again test pilot models put on the proving ground were found to be deficient. But these faults were gradually corrected until today Canadian armored vehicles set a world standard for dependability and performance.

During that year the production of all types of vehicles rose steadily as new capacities came into operation and existing facilities were expanded. The number of wheeled vehicles and universal carriers turned out amounted to more than 120,000; in addition, 10,000 tons of armor plate, 56,000 bodies, and 336,000 spare tires were manufactured.

This large upswing in production was accounted for in part by the curtailment of passenger car manufacture and in part by the fact that the production capacity of a third Canadian automobile company was added to the nation's war facilities. This company, in addition to supplying standard load carriers, took over the manufacture of bridging equipment and Army machinery lorries and trailers. Its initial contract for these special types called for 3,500 vehicles of 35 different types. During the year, pilot models were built of all types, except two. In the latter, design changes held up their completion. The assembly of these highly complicated machines was a difficult job. Specifications were constantly being revised, hampering production. Nevertheless, before the end of the year some 1,200 units had been completed.

The 1943 over-all production continued at approximately the 1942 tempo, and in June Canada reached another important wartime milestone when the Dominion's automotive industry turned out its 500,000th motorized vehicle. By the end of 1943, close to 600,000 units of military transport and fighting vehicles had been produced.

Armor Plate

Following the expansion of the automotive industry, Canada embarked on a program of armor plate manufacture. Had this program not been undertaken it is doubtful whether Canada's contribution to the United Nations would have been as effective as it is today, because prior to 1940 all armor plate or bullet-proof plate was imported from the United States or Great Britain.

Before 1941, armor plate and castings were being produced at the rate of 50 tons a day. A study of requirements showed that the output would have to be increased to double that quantity, and steps were taken to expand existing plant facilities. Since then, production has risen steadily to more than 4,000 tons a month, and by midsummer of 1942 there were sufficient stocks of armor plate on hand to meet existing requirements. Output was then decreased to approximately 2,000 tons monthly, and the capacity thus released was diverted to the fabrication of mild steel plate for shipbuilding and other pressing programs.

Tank Production

Until the present war, Canada had not built a tank. Its manufacture has little in common with other types of military equipment, and no peacetime vehicle has any relation to it.

When the tank program was initiated, it was thought that the automotive industry would undertake the task. However, these companies were rapidly converting to mass production of Army vehicles and spare parts. Instead, two locomotive works were selected to undertake the program. They had trained engineers and technicians, the heavy equipment needed to handle armor plate and castings, and neither plant was operating at anything like full capacity.

In June, 1940, a contract was placed for 300 Valentine tanks. This was later increased until a total of 1,420 had been ordered. The first vehicle was delivered one year later.

The Valentine, so called because the first was completed on February 14, is a medium light tank of British design. Powered by Diesel motors, the body is made of armor plate, riveted and bolted, and the rotating turret may be operated either by hand or by electrical control. In reality, it is a giant mechanical ferret capable of burrowing its way through a brick building. As big as a living-room in an ordinary house, it is able to climb steep ascents, ford streams, and rip through barbed wire entanglements or whatever ordinary defence works may be thrown up in its path. There are more than 40,000 parts, exclusive, of armaments, in a single Canadian-built infantry tank. Production in Canada was terminated on completion of contracts and final shipments were made in May, 1943. Of the 1,420 Valentines produced, only 30 were retained for training purposes in this country, the balance being shipped to the Soviet Union.

Among the first pieces of armament to be produced in Canada from United States specifications, the Ram tank is a cruiser type built for the Canadian Army. Nearly twenty feet in length, it weighs as much as a railway freight car. It can proceed over all kinds of terrain from swamps to rocky and irregular ground. Its Whirlwind engine, which develops as much horsepower as several large modern automobiles, is capable of propelling its great bulk over obstacles and up steep hills. It is heavily armed with machine guns and a cannon capable of great offensive power.

By the middle of 1942, Ram tank production was terminated after nearly 2,000 had been built. It was replaced by the M-4, a standard type for the United States, British and Canadian armies. However, the trend in offensive warfare required self-propelled mounts and production of the M-4 was discontinued at end of 1943.

Ammunition Production A Remarkable War Job

Entirely New War Industry Has Been Built Up to Huge Proportions — Canadian Plants Produce Wide Range of Heavy and Small Arms Ammunition

AMONG the many outstanding production achievements of Canada during the present war—one that has been all the more remarkable because of the essentially non-military nature of the country's economy and industrial organization—has been the tremendous development of shells and small arms ammunition.

During the last war, it is true, Canadian industrial companies rendered valuable assistance in the supplying of ammunition for the Allied armies. Up until the final stages of the 1914-18 conflict, however, contribution of Canadian industry to the ammunition requirements was almost entirely confined to shell and cartridge cases; only shortly before the end of that war did Canadian industry make any attempt to produce other components, such as fuses, etc., or tackle the job of assembly.

In this war, however, Canada not only has produced many millions of shells and billions of rounds of small arms ammunition, but has created a new industry whereby shells are filled with various explosives and shipped overseas as complete rounds of ammunition. Moreover, Canadians have been called upon to turn out enormous quantities of depth charges, anti-tank mines, aerial bombs, trench mortar bombs, and pyrotechnics for the armed forces.

The ammunition industry did not really begin its tremendous expansion, however, until France fell and the British Empire found itself standing alone to face a ruthless, well-armed enemy. Britain, its factories subject to continuous bombing and expecting invasion, was forced to look searchingly across the Atlantic for vitally-needed supplies. Since then, the Canadian war-time output of ammunition has doubled, trebled, quadrupled.

Small peacetime arsenals have mushroomed over an area equivalent to that occupied by a fairly large city. Foundries and machine shops have spread themselves similarly to meet the common need. Hundreds of plants manufacturing non-essential goods have been converted, rapidly and efficiently to war production. Thousands of workers have been recruited and are now working on vital production. A force of women and girls has been trained to unfamiliar tasks. Mountains of raw materials, many of them coming from new or moribund native sources, have been amassed. A greatly augmented supply of machine tools has been accumulated.

These elements of production have been merged under hastily-erected roofs, many of them hidden away from prying eyes. Like the tributaries of a great river, their union has swelled into a steady stream flowing to the fighting men of the Allies.

A Complex Story

No Canadian production story is more complex than that of ammunition. It involves the manufacture of everything hurled at the enemy by hand, rifle, mortar and gun; dropped on his head from the air; thrown at his submarines from the deck of a ship; or left under a few inches of dirt to smash the tracks of his tanks. It also involves a constant output of the many components which make up these projectiles—the mobilization, expansion, and co-ordination of the ancillary industries which turn out the thousands of tons of steel, brass, and other metals with which the projectiles are fashioned, the paints and lacquers to finish them, the containers to pack them in, and the explosives of various types which give the projectiles their devastating punch.

Ammunition does not merely consist of a hollow piece of steel loaded with an explosive. Many parts call for exacting workmanship and precision. Shells have to be machined to the closest of tolerances, and fuses are often as intricate as watches. It is not a job for unskilled hands.

A complete round of gun ammunition comprises three parts:

1. The cartridge case which contains the propelling charge, usually cordite. It is equipped with a primer which detonates it. In most instances, it is larger than the shell. It can be reformed, refilled, and used a number of times. The majority of cartridge cases are made of brass drawn in one piece to form a cylinder having a heavy flat base with a thin wall tapered to fit the end of the shell. In this is placed the propellent which when detonated sends the shell to its destination.

.2 The shell which is filled with the bursting charge: Amatol, T.N.T., or other types of high explosive. It is fired from the gun by the propellent in the cartridge. Shells are made of steel, with a copper driving band near the base which rotates the projectile in the rifling grooves of the gun and gives it greater range and accuracy. In addition to explosive shell there is solid shot. Such shot is high-grade steel specially heat treated to be used against tank and other armor plate.

3. The fuse which may contain fulminate of mercury or a like explosive. Its purpose is to detonate the shell, either when it strikes (percussion fuse) or at a given time after it has left the gun (time fuse).

So that her sailors, soldiers, and airmen, and those of the other United Nations, may attack the enemy under every possible circumstance of war, Canada has made a great diversity of ammunition. This output comes within three classes:

1. Gun ammunition, comprising a wide variety of calibres and types.

2. Bombs, including aerial bombs, mortar bombs, grenades, mines, and depth charges.

3. Small arms ammunition.

The first two classes are grouped under the designation of "heavy ammunition," as opposed to the third class which includes only the projectiles for rifles, machine guns, carbines, revolvers and other small arms.

By the end of 1943, 59 million complete rounds of filled ammunition had been delivered. This figure covers gun ammunition, bombs, depth charges, grenades and other projectiles other than small arms ammunition. In addition, deliveries also included separate filled shells and cartridge cases numbering some 7 million units. During the last quarter of the year, deliveries of complete filled rounds of projectiles other than small arms ammunition were running at the rate of 2.75 million per month.

Production of shells, armor-piercing shot, practice and proof shell and shot, amounted to 55 million up to the end of 1943. Deliveries from manufacturing plants during the last quarter of 1943 were at an average of 1.4 million per month. Shells are manufactured in 16 calibres of 21 different types, and include 40-mm., 3.7 inch, 6 pounder, 4-inch naval, 25-pounder, nad several types of howitzer shells. Several types have gone out of production.

The average monthly production of cartridge cases during the last three months of 1943 was 3.6 million. At December 31 of that year, 97 million cartridge cases had been turned out. Canada has produced 16 types of cartridge cases, including 40-mm., 3.7 inch, 6-pounder, 4-inch naval and 12-pounder naval.

Hugh Bomb Output

More than 27 million bombs have been produced including aerial and mortar bombs, anti-tank mines, grenades, depth charges and smoke generators. Bomb production for the past three months has been at an average of more than 1.8 million per month. All told, 17 types, requiring 50 different types of components, are produced under this bomb program. Contracts for many types of bombs have been completed among them an order for 500-pound aerial bombs, more than 200,000 of which had been delivered when production was terminated. Smoke, illuminating, and signal bombs also are being produced, as well as hundreds of thousands of practice bombs.

More than 50 types of fuses, primers, and other such components are made in Canada. No fewer than 140 million fuses, gaines, primers, tracers, and tubes, all important components, were produced up to the end of 1943. The average monthly production during the last quarter of the year was almost four million units per month. In one type of percussion fuse, there are 25 parts, each involving a number of distinct operations, and each operation, in turn, requiring precision and close scrutiny.

To package these many types of ammunition, more than 12 million steel boxes have been produced, as well as 2.5 million wooden boxes, 30 million service cylinders and containers, and seven million small arms boxes and liners.

One of the most important items on the bomb production program today is the projectile for the P.I.A.T. (Projector Infantry Anti-Tank). This rocket-like projectile is shot from a weapon which has replaced the Boys .5-inch anti-tank rifle, now considered obsolete. Several thousand rounds of the piat projectiles are scheduled to be produced in 1944. More than twenty firms are turning out parts for this bomb.

The 25,000 employees of the Canadian wartime small arms ammunition industry, more than half of whom are women, have delivered 3.3 billion rounds of small arms ammunition since the outbreak of war, enough bullets to destroy the entire population of the world one and a half times, or to make an ammunition belt which would encircle the globe.

In 1943 alone, 1.5 billion rounds

(Continued on Page 21)

DREADNAUGHTS
ON THE FOOD FRONT
When Cockshutt engineers designed and built the Company's great time- and labor-saving Harvester Combines, they considered that the days of harvest excursions to the West were over. Prairie farmers, who shared this view, acclaimed these fine machines, feeling that they could see an end to most of the anxieties of harvest time. Shortages of materials, resulting in the curtailment of production of farm equipment throughout the war, have resulted in a return of the harvest help problem, a situation which has been further aggravated by the huge crop being garnered this year.
When restrictions are relaxed we will be able to employ our total manufacturing facilities in the production of mechanized equipment such as these dreadnaughts of the food front, which are designed to make farming faster, easier and more profitable.
COCKSHUTT FARM EQUIPMENT
BRANTFORD CANADA
COCKSHUTT

Canada Leads The World Exportation Of Metals

Foreign Shipments Almost Doubled From Beginning of War Until 1943 When They Totalled $395 Million — Wide Range of Metal and Mineral Production — Leads in Many Fields

WITH BUT 1/188th of the world's population at her command, Canada is now in the proud position of leading exporter of base metals. Since the war, exports of non-ferrous metals and minerals and their derivatives have risen from less than $213 million to almost $395 million last year.

Canada leads the world in the production of nickel, asbestos, platinum and radium, takes second place in output of gold, aluminum, mercury and molybdenum; third in copper, zinc, lead, silver and arsenic; and ranks fourth in magnesium production.

Exclusive of U.S.S.R. production, Canada produces 94 per cent of the United Nations' combined nickel output; 20 per cent of the zinc; 10 per cent of the copper; 17 per cent of the lead; 75 per cent of the asbestos; and 32 per cent of the aluminum.

The past two years have seen the greatest progress in the Mining and metallurgical history of the Dominion, with the aluminum industry expanded to more than six times its prewar volume, facilities developed to produce magnesium from dolomite, and base metal mining greatly extended in operational scope, both by expansion of its existing mines, and development of new properties, including marginal and sub-marginal deposits.

To make the expansion possible an average of about 65,000 nonferrous mine, smelter, and refinery workers, including those employed in gold production, were on the payroll in 1943, as against an everage of 58,043 in 1939. A labor shortage has existed and the production of gold has dropped drastically to provide men for the armed services, base metal production, and other war programs.

53-Year Growth

Definite records of the annual value of metal and mineral production go back only to 1886. In that year the value of all mineral products was $10,221,255, or $2.23 per capita. In 1939 the total value of the country's mineral production was $474,602,059, or $41.94 per person. Despite the sharp drop in gold production the 1943 total was an estimated $524,426,850, or $44.40 per person.

Thanks to the skill and enterprise of her mining men, and thanks also to the stimulation provided by government assistance, the Dominion has fulfilled her obligations in metals and minerals to both the United Kingdom and the United States, and in addition has provided for her own essential needs. Because ocean losses dropped during 1943, and because of the success of efforts to provide new sources of production and increased production from known sources, the supply of certain strategic metals and minerals—aluminum, nickel, chrome ore, magnesium, graphite, cobalt, mica, mercury, copper, tungsten, and molybdenum—is keeping up with essential demands.

In greater or lesser volume the nation has been producing aluminum, asbestos, antimony, arsenic, bismuth, copper, chromite, cobalt, cadmium, feldspar fluorspar, gold, graphite, gypsum, iron, lead, magnesium, mercury, molybdenum, mica, nickel, pyrites, platinum, radium, sulphur, silver, selenium, silica, tin, tungsten, tellurium, talc, and zinc. A toll has already been taken of known ore reserves, but prospecting is being encouraged. Marginal and sub-economic properties have been tapped, and Dominion and provincial departments of Mines and Resources have fully cooperated with the Metals Control in this regard.

Rare Metals Replaced

One of the most notable achievements has been the substitution of less scarce metals for those in shortest supply. For example, silver is being used very largely in solders and brazing alloys to replace tin. Manganese bronze and lower-tin bronzes are being used instead of pre-war, high-tin bronzes for industrial castings ,and a tin-free bronze has been developed and used for gear manufacture.

Shortly after taking office in 1940, the Controller restricted the domestic use of aluminum, nickel, zinc, magnesium, tin, cadmium, copper, and brass. All these controls were later tightened.

Because of rising war demands, the supply position of most nonferrous metals showed no improvement until the latter half of 1943. Even essential civilian uses have been curtailed, and the shortages of some of the most important nonferrous metals are likely to continue until the war is over.

The following table shows in a general way how five of the basic non-ferrous metals are now being used in Canada :

METAL	Direct War Con.	Indirect War Con.	Ess. Civilian Con.
Primary alum.	96%	3%	1%
Refined copper	96%	3%	1%
Refined nickel	90%	8%	2%
Tin	60%		40%
Refined zinc	87%	6%	7%

Priorities To U.K. and U.S.

In every instance the war needs of the United Kingdom and the United States have been given priority in the matter of exports. The export of non-ferrous metal scrap is prohibited unless the scrap cannot be treated or is not needed for war production in Canada.

Established at Shawinigan Falls before the Boer War, the Aluminum Company of Canada supplied the trivial Canadian needs of that war and of the first world war. Today, this same company operates a number of smelters in various localities among which is the largest in the world.

The principal requirements for the making of aluminum in Canada are bauxite from the tropics of South America, cryolite from Greenland, acid-grade fluorspar from Newfoundland and the United States, and electric power from the rivers of Quebec. At present about one-quarter of all the power consumed in Canada is used in this one industry, and the industry itself has been responsible for the development of much of the power it consumes.

Back in 1899 and the early 1900's long-term contracts signed by the Aluminum Company of Canada, helped to create what is now a vast power network centering in the St. Maurice Valley in Quebec Province. Less than two decades ago, the aluminum development was largely responsible for a hydro-electric plant at Ile Maligne which, with its installed capacity of 540,000 horsepower, was for a time one of the largest single sources of power in the world. A little over 13 years ago the 260,000-horsepower development at Chute-à-Caron was brought into operation. Until shortly before the present war, most of the capacity of this latter plant was surplus, and used for industrial steam production. Thus a reserve of a quarter of a million horsepower was available for increased aluminum production when the rumbling of this new war was first heard.

Huge Aluminium Expansion

In the early war days this reserve power was put to active use. But insatiable demands for more aluminum for aircraft and other war purposes made even greater power developments imperative. The Shipsaw enterprise was the result.

Growth of aluminum output for the past five years is as follows :

1939	163,900,000	pounds
1940	215,000,000	"
1941	424,600,000	"
1942	671,700,000	"
1943	985,300,000	"

A bu-product of lead and zinc smelting, antimony is used in various alloys, chiefly with lead, and is essential for many purposes in war materials The Canadian production of antimony in the first three years of the war was sufficient for domestic requirements, with a substantial amount available for export to the United Kingdom. In 1943, production lessened as a result of labor shortages and a drop in lead and zinc output, so that part of the Canadian requirements had to be imported from the United States, necessitating the cessation of exports to the United Kingdom.

Arsenic and Asbestos

The production of refined white arsenic in Canada is secured from the refining of gold-bearing ores. Approximately four-fifths of the present output goes to the United Kingdom for various war uses. At the same time this country imports from the United States most of its requirements for insecticides and weed killers.

Refined white arsenic is employed in the glass making industry. It is used also as a compound of many commercial chemicals.

Canada has one refinery, producing refined white arsenic, which secures its raw materials in the form of concentrates from two Quebec mines.

Canada is the world's largest producer of asbestos, yet the domestic consumption is less than five per cent of the total output. About 75 per cent of the United Nations' requirements are being supplied by this country with the balance chiefly from South Africa. The major part of the exports go to the United States, but substantial quantities are shipped to Britain.

Bismuth is produced in Canada as a by-product of the smelting and refining of lead. The output is sufficient for domestic requirements and some is being exported to the United Kingdom.

In the manufacture of its tin-free solders, as well as other alloys, bismuth is an important war metal. Salts of bismuth are used in various pharmaceuticals.

Cadmium and Chrome

The over-all supply of cadmium, a strategic metal, is insufficient to satisfy all the Allied demands for essential war purposes. Cadmium is in extensive demand as an electroplated coating to protect other metals from rust and corrosion, particularly critical aircraft parts.

Two zinc operators produce cadmium in Canada as a by-product, and thus the output depends on the amount of zinc produced. Domestic cadmium production has always been in excess of Canadian requirements, and up to 1942 left a substantial surplus for export to the United Kingdom and Russia. Since that time however output has decreased while demand has gone up, making necessary the banning of its use where substitutes could be satisfactorily employed.

Full relief from the shortage of chrome ore, as it effected war production, was achieved during 1943.

On May 29, 1943, the Chromereine project at Black Lake, Quebec, was officially opened. A project of the government-owned Wartime Metals Corporation, the mine is now producing and milling 600 tons of ore a day. Chrome is used largely in the production of ferro-alloys and basic refractories and is important in essential war needs for alloying in gun steel, armor plate and stainless steel.

In the early part of the war arrangements were made between the British government and the one large Canadian cobalt refinery to increase the output by the use of by-product cobalt residues of copper refining operations in Africa.

Pure cobalt is a silvery whitish metal resembling nickel, and as an oxide it is an ingredient of the brilliant blue pigment named after the metal. In combination with chromium and tungsten, it is used for high-speed alloys and special tool steels.

Copper, Brass, Bronze

At the beginning of 1944, the copper available to the United Nations was still not considered to be in excess supply to meet target production programs, and the Canadian demand appeared likely to rise. This country ranks third in world output and second in Allied output of this important metal.

After war and essential civilian requirements have been provided, the refined copper surplus is exported to the United Kingdom and surplus concentrates to the United States. The production of brass and bronze, in which copper is the chief constituent, has risen by some 1000 per cent since the outbreak of war.

By the end of 1943, the shortage had eased somewhat, but prospects for 1944 indicate that the demand will rise again. At the end of 1943, Canada had sufficient copper for all war and essential civilian requirements including public utilities, but in view of the over-all Allied shortage insufficient was available to permit non-essential uses.

Production of refined copper during the past five year was :

1939	463,200,000	pounds
1940	523,800,000	"
1941	556,400,000	"
1942	541,200,000	"
1943	508,400,000	"

Fluorspar and Graphite

Because the production of fluorspar in the United States was greatly increased in 1943 and certain economies were instituted, the supply of this mineral became more plentiful and sufficient was available for all war purposes.

Although six Canadian properties were in actual production during the first half of 1943, the bulk of the Canadian supply still came from the United States and other sources. The six properties include two at Madoc, Ontario, which were in production in 1942. Of the other four, three are new Madoc properties and one is in Cape Breton.

Fluorspar is used in making aluminum, steel, glass and certain chemicals.

The occupation of Madagascar eased the Allied shortage of graphite, and supplies are now being shipped from that island. Graphite is used for crucibles in which steel and other metals are melted.

Canadian graphite deposits have been worked at intermittent periods in the past, but when this country entered the war it had no production of crucible grade, although it has a supply of graphite suitable for other purposes such as foundry facings, lubricants, and sundries.

Iron pyrites is a common by-product of the concentration of copper and zinc ores and until late in 1943 it was obtained mainly from the Noranda and Aldermac mines in northwestern Quebec. With the shut-down of Aldermac, production at that mine ceased, but increased production was obtained from other mines. Part of the output is exported, the remainder being used in the manufacture of sulphuric acid or in making sulphur dioxide by the Freeman process for chemical wood pulp treatment.

Lead, Magnesia

Although Canada ranks as the third of the nations in the production of lead, she normally does not consume more than a fraction of the output. The difference during the war years is being made available for essential United Kingdom and Russian requirements. However, since the outset of the war, Canada's consumption of lead has risen sharply because of war demands and the use of the metal as a substitute for more critical materials.

On the other hand, production of refined lead has likewise increased from 191,300 short tons in 1939 to 224,500 short tons in 1943. Peak production was reached in 1942 but labor shortages in the base metal mines were responsible for a slight reduction in 1943.

Extraction Problem

At the end of 1943, Canada was producing more than ten tons of magnesium per day and after supplying all her own needs is able to export the major part of this tonnage to the Allied nations. Until the $3 million project of the government-owned Dominion Magnesium Limited at Haley, Ontario, turned out its first crown of magnesium in the summer of 1942, potential millions of tons were locked in brucitic limestone and dolomite ores, but not one pound of commercial magnesium was available in Canada that had not been imported.

To extract magnesium oxide from those plentiful ores would have been easy enough, but the problem that faced the metallurgist was how to remove the oxygen from the oxide quickly and cheaply, without causing an explosion. Thanks to the foresight of Lieutenant-General A. G. L. McNaughton, until recently commander of the Canadian Army, then president of the National Research Council, a young McGill graduate, Dr. Lloyd M. Pidgeon, a native of Markham, Ontario, was assigned to tackle the problem in the Council's laboratories in 1937. By November, 1940, he had found a laboratory answer and within another year had proved the process commercially so that a do-

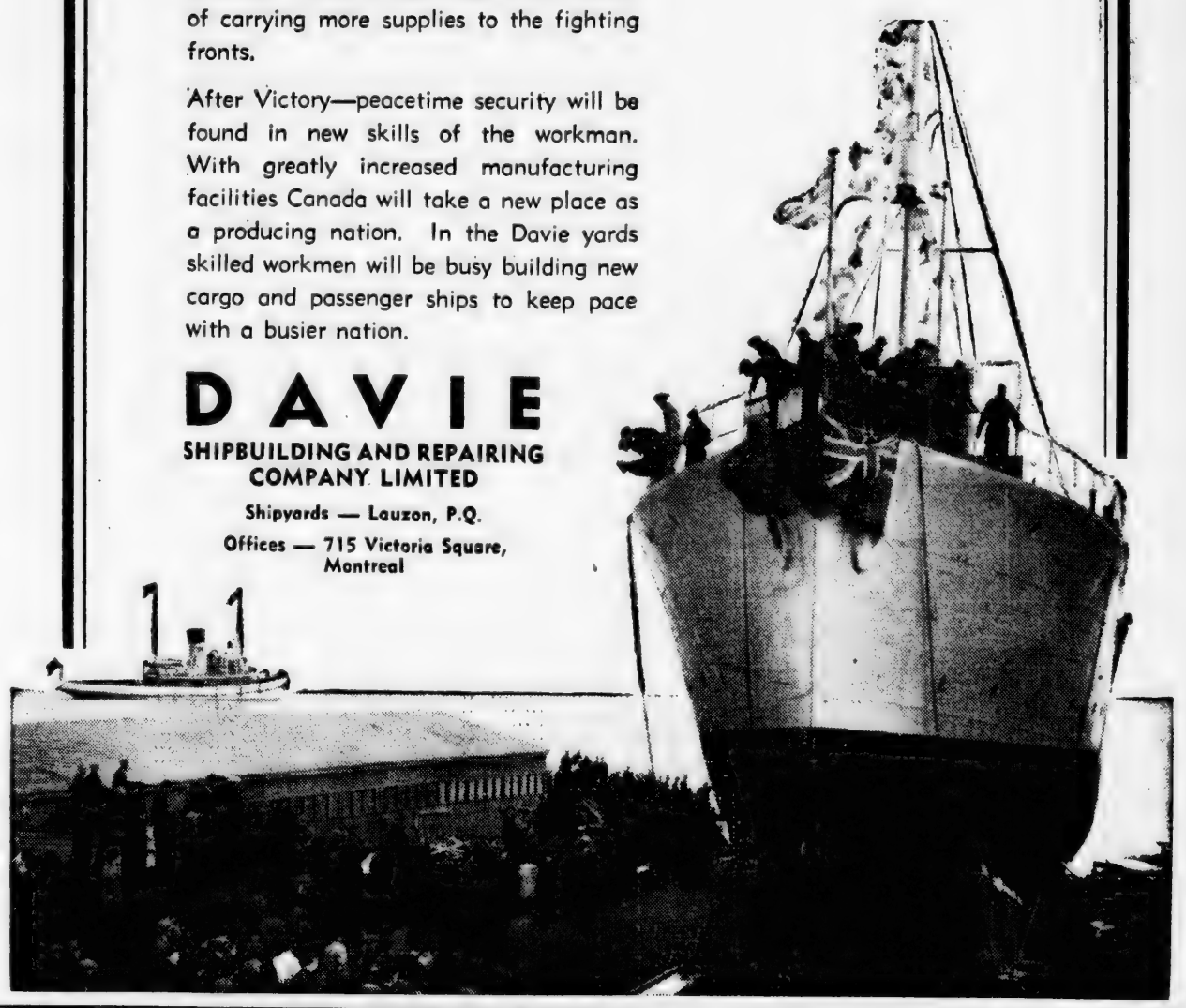
(Continued on page 16)

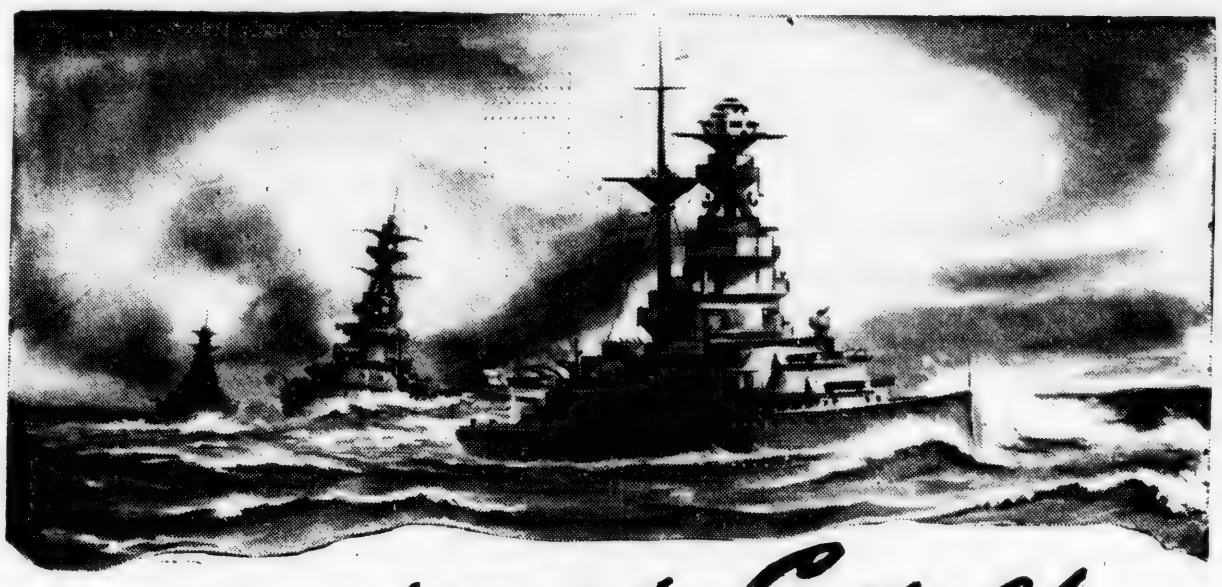
SECURITY — TODAY and TOMORROW

Here in the war-expanded shipyards — as in all war industries — the skill of Canadian workmen maintains the security of free nations. Every fighting ship that takes to the water is menace to the U-Boats. Every cargo vessel is the means of carrying more supplies to the fighting fronts.

After Victory—peacetime security will be found in new skills of the workman. With greatly increased manufacturing facilities Canada will take a new place as a producing nation. In the Davie yards skilled workmen will be busy building new cargo and passenger ships to keep pace with a busier nation.

DAVIE
SHIPBUILDING AND REPAIRING COMPANY LIMITED
Shipyards — Lauzon, P.Q.
Offices — 715 Victoria Square, Montreal





Everything under Control!

What better symbol of complete control than a British battleship on the high seas? And in the making of paint there is no better sign of complete laboratory control of manufacture than the famous Sherwin-Williams "Cover-the-Earth" trade mark. Here are some of the Sherwin-Williams controls:—

RAW MATERIAL CONTROL—We set high standards in quality. Every tank car of solvent is tested for boiling point temperature; every car of pigment for purity, every batch of dry colours, resins and oils tried out by our trained chemists who have here in our labs, the best resources in the country for making such tests. Second, we have

FINISHED PRODUCT CONTROL—Samples from every tank are tested for drying quality, for colour uniformity, for viscosity. Other tests last for weeks and are amazingly ingenious. Humidity cabinets test paints for their resistance to dampness and heat. Salt spray chambers test them for resistance to salt water for coastal and marine uses. Great lamps simulating sunlight enable us to measure its effects on them. These are just a few of many scientificaly controlled tests made on Sherwin-Williams paints. Even after the paint is put into cans, testing goes on. We have

MANUFACTURE CONTROL—Every gallon of Sherwin-Williams Paint is processed on scientifically built machines, which are the last word in design. Third, we have

CANNED PAINT CONTROL—Every so often cans are taken from stock and are subjected to rigid tests for stability, with regard to drying qualities, gloss, and colour under varying conditions of heat and cold.

Is there any wonder, then, that Sherwin-Williams Paints are standing up to the terrific tests of war and are ready for the most rigorous post-war requirements?

THE SHERWIN-WILLIAMS CO.
of Canada, Limited
Head Office MONTREAL

SHERWIN-WILLIAMS PAINTS

Canada Leads the World Exportation of Metals

(Continued from page 15)

mestic industry could be established.

Only a few miles from the Ottawa River and not far from Renfrew, the site of the Dominion Magnesium plant is a wilderness of sand and rock, pine trees, and second-growth birch. Chosen not because it was the only source of dolomite, but because the outcropping was close to available power, the site had the advantage of being conveniently near transcontinental railway lines and not too far from other war industries.

With no ceremony, no headlines, the first crown or magnesium left the reduction furnace on August 15, 1942. Less than three months later, the crushing and calcining plants were nearing completion, and the company swung over to the use of dolomite ore from its own backyard. By December 15, construction work was completed and the daily output was approaching its peak.

In the production of magnesium, ferro-silicon is used as a reducing agent. It is estimated that from one ton of ferro-silicon and 10 tons of dolomite, one ton of magnesium ingots can be produced.

Magnesium is a metal so weak in its pure state that a small boy could bend a half-inch bar, yet so tough as an alloy that it will stand the shock of landing a 30-ton warplane. It is so effective as an incendiary ingredient that it will burn up many a German city, yet so inert as a solid that a 3,500-degree blow torch could be applied to it and it would not burn.

Until the output from Haley began to flow, the North American supply was coming from the treatment of sea water or subterranean brine in the United States. Now that more or less ample supplies are assured, war uses of the metal are almost certain to multiply. Meanwhile, its chief use is in aircraft alloys, metals tough enough to stand terrific flying strains and stresses, ye tlight enough to add hundreds of miles to the effective range of a bomber or fighter. Every bit as important to the airman, is the use of magnesium as an ingredient of parachute flares so brilliant that they will light up a large target area thousands of feet below the aircraft. In addition, magnesium is used in night bombs, in certain shells, and in other pyrotechnics. Magnesium castings for industrial purposes are being put to increased use.

The present freely permitted use of Canadian magnesium is expected to benefit metallurgists to the extent that development and research may find new adaptations of the metal.

All manganese metal and alloys produced in Canada are under strict allocation by the Metals Controller. In the past the chief sources for Canadian requirements of ore have been Takoradi on the Gold Boast of Africa, Brazil, Cuba, the U.S.S.R., Baluchistan, and the east coast of India. At the end of 1942 the chief sources were New Caledonia and the Gold Coast.

Canada's known deposits are limited in size and unless new discoveries are made, this country must continue to depend on outside sources.

Manganese is necessary in the production of the steel used in ships, guns, tanks, and hundreds of other tools of war.

Other Metals

Production of mercury in Canada has been an outstanding phase of this country's war effort. In peacetime, Canada was entirely dependent on imports from Spain, then the most important producing country in the world. The Canadian output should be of importance in post-war markets but, in the meantime, Canada is supplying large quantities for the needs of the United Kingdom and the United States, and for certain of the requirements of other countries in the Empire.

Although the Allied occupation of Madagascar eased somewhat the shortage of phlogopite-grade mica, the production of muscovite grade in Ontario and Quebec is regarded as an important contribution to the war effort. The output from the Purdy mine at Mattawa, Ontario, largest new discovery of its kind in North America, was increased during the first half of 1943. This mine began producing during the summer of 1942.

Molybdenum is being produced in substantial quantities in Canada, whereas before the war no such production existed.

Most of the pre-war requirements were imported from the United States, which produced approximately 90 per cent of the world's supply.

Molybdenum products such as wire, rod and sheet continue in short supply in Canada although adequate supplies of molybdenum concentrates, oxides and ferro-alloys are available. Wire, rod and sheet are essential in the manufacture of radio and radar equipment but are not produced in Canada and must be imported from the United States.

Nickel and By-Products

Nickel production during 1943 was 25 per cent greater than at the beginning of the war. Canada is providing 94 per cent of the nickel available to the Allies. Most of the remaining output comes from New Caledonia, and some small quantities in oxide form are being shipped from new properties in Cuba.

The International Nickel Company of Canada and Falconbridge Nickel Company are the sole producers of primary nickel in Canada. At both mines expansion work took place in 1942, and by the end of that year peak production had been reached.

Consumption of nickel for war and essential civilian purposes has left only a small amount for other uses. In 1940 the direct and indirect war us was 60 per cent, in 1941 it was 85 per cent, and in 1943 it was 98 per cent.

All nickel is under strict allocation, but small quantities are being released for essential industrial purposes.

Production of nickel in Canada during the past five years has been as follows:

1939	113,000 tons
1940	122,800 "
1941	141,100 "
1942	142,800 "
1943	143,800 "

Canada, the world's greatest producer, uses only a very small percentage of its platinum output. As a by-product of nickel refining, it is shipped to the United States for refining and brought back as pure metal. The re-importation figures have risen rapidly since the war began.

An order of the Metals Control, effective January 15, 1942, restricted the use of platinum and the platinum group metals, and licensed certain dealers to handle such metals.

Before the war, a Belgian refinery turned out most of the world's commercial radium supply from ore mined in the Belgian Congo, but a Canadian industry was being built up from domestic deposits of pitchblende and a refinery had been established to treat the concentrates. Today, Canada ranks first in radium production and the refining plant at Port Hope, Ontario, treating high-grade domestic pitchblende from the Great Bear Lake area of the Northwest Territories, is working full-time on essential and war needs.

In the form of crude rock enough silica is obtained in Canada to supply the substantial needs of the producers of silicon and ferro-silicon.

Silica also comes in two other forms, as sand and as ground silica, silex, or flint. The first of these two forms is used for making glass and abrasives, and for steel foundry operations. The second also is used in foundry work, for ceramics, and for sundry other purposes.

Generally speaking, silica is in adequate supply.

Silver, Tin, Tungsten

Traditionally regarded as a precious metal and as a medium of exchange, silver has taken its place as a war metal. Eminently satisfactory as a substitute for tin in solders and for use in brazing alloys, silver has found wide use in war industry. As one of the largest silver producing countries in the world, Canada has available adequate supplies of the metal for all uses including coinage.

During the first half of 1943, owing to price differentials between Canada and the United States, the primary producers of fine silver agreed to pool their export and domestic sales so that the monetary return per ounce could be averaged and domestic requirements equitably met.

In peacetime, three-quarters of the world's supply of tin came from Malaya and the Netherlands East Indies. Bolivia was next in importance, and some also came from the Belgian Congo and Nigeria.

Canada produces no tin ores, although she now has a small production of refined tin as a by-product from certain lead-zinc ores.

Tungsten is used primarily in the production of highspeed steels, and is thus employed in almost every phase of war manufacture. It is also used for the filaments of electric lamps. It is an essential in making components for radar and for radio tubes. In powder form it goes into the manufacture of semented tungsten carbides.

Quantities of scheelite, the tungsten ore, were found in association with the ores of certain gold mines in Canada, and a small production was secured from these sources.

While adequate supplies of tungsten, in the form of concentrates and as a ferro-alloy, are available in Canada, tungsten in fabricated forms, such as wire, rod and sheet, continues in short supply; such requirements must be imported from the United States.

Zinc and Scrap

The western hemisphere is the chief source of zinc for the Allied nations. It produces approximately 1.2 million tons of zinc per year, most of which is smelted in the United States. Canada is the world's third largest producer. The wartime output is directed into munitions making in this country, into essential civilian manufacture, and into exports to the United Kingdom.

Production reached a peak in mid-1943, and by the end of that year it was considered likely that sufficient would be available to permit the closing down of the uneconomic sub-marginal properties and the transfer of badly needed manpower to essential mines.

The supply position of zinc metal has improved to such an extent that the lifting of some of the restrictions on civilian consumption has been possible.

The supply of non-ferrous metal scrap has been under close review by the Metals Control since its inception. Formalized administration began in April, 1942, and since then the movement of practically all types of scrap has been rigidly supervised. The collection of all non-ferrous scrap is encouraged and its economic distribution has required that it be sent, in order of priority and grade of material, to the primary metal fabricators, such as the rolling mills and extrusion plants, or to the secondary ingot manufacturers.

Form Crown Company

Wartime Metals Corporation was formed as a Crown company on March 17, 1942, to assist the government in meeting the demand for strategic and critical metals. The corporation functions as an operating unit of the Department of Munitions and Supply, working in collaboration with the Metals Controller to meet metal and mineral shortages as they may occur. Developments to date have included the exploitation of new or additional sources of magnesium, tungsten, molybdenum, chrome, copper, zinc, lead, vanadium lava talc and corundum.

Aluminium Limited

Aluminium, Ltd., is holding organization for a number of operating companies engaged in the mining of aluminum ores and smelting and fabrication of aluminum in Canada and other parts of world. Principal Canadian subsidiary, Aluminum Co. of Canada Ltd., operates smelters at Arvida, in the Saguenay district of Quebec, and at Shawinigan Falls and fabrication plants throughout Canada.

Smelting capacity in Canada, in view of the huge war demand for the metal, has been expanded very widely during the war. Company controls its own power supplies through 2 associated power companies, Saguenay Power Co. Ltd., and Aluminum Power Co., Ltd., but still depends on Shawinigan Water Power Co. for a considerable proportion of its requirements.

Large additions to smelting capacity brought about a power shortage for company and Aluminum Power Co. undertook a huge new power project in the Saguenay region which has doubled the power resources of the organization.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$97,729,013	$12,248,687
1942	76,121,770	15,244,022
1941	57,485,326	15,395,726
1940	42,181,122	12,462,231
1939	26,775,783	15,799,927
1938	19,465,200	11,216,959
1937	14,973,341	8,482,046
1936	6,031,303	2,320,912

	Per Share Common: Earned	Paid
1943	$15.79	$10.00
1942	19.77	10.00
1941	19.98	10.00
1940	16.03	8.00
1939	20.57	a4.25
1938	15.57	Nil
1937	11.83	Nil
1936	2.51	Nil

a—Additions to stock dividends.

	Plant—After Deprec.	
1943	$167,123,552	$.....
1942	180,589,038	94,397,165
1941	126,332,098	42,139,682
1940	59,422,955	24,059,248
1939	42,905,577	23,501,229
1938	39,278,328	22,137,344
1937	38,128,228	19,877,146
1936	32,369,124	18,455,287

	Total Assets	Working Capital
1943	$363,387,606	$71,925,127
1942	$350,978,014	78,740,237
1941	272,591,728	71,035,127
1940	148,538,005	31,608,819
1939	98,158,412	21,302,585
1938	86,269,203	20,756,531
1937	77,851,139	16,415,345
1936	69,968,677	12,294,926

Consolidated M. & S. Co.

The Consolidated Mining & Smelting Co. of Canada Limited is the largest producer of lead and zinc in Canada and one of the largest in the world. Company's principal property, the Sullivan Mine in B.C., has the greatest known deposits of lead-zinc ore in the British Empire. Many other properties, base metal and gold are operated at different locations throughout the Dominion.

Production of the company comprises lead, zinc, antimony, cadmium, bismuth, zinc dust, mercury, zinc oxide, gold, silver, sulphur, oleum, sulphuric acid, ammonium, sulphate, triple superphosphate, single superphosphate, monocalcium phosphate ,ammonium phosphates. Chemicals and fertilizer are produced as by-products of company's smelting operations.

At Trail and Kimberley, B.C., company operates concentrators and smelters and gold and silver refineries. Through controlling interest in West Kootenay Power Co., Ltd., controls its own power supplies.

During the war, company's facilities have been operated to capacity, largely due to orders placed by the British Purchasing Board. Latterly however, owing to labor shortages, production has been considerably curtailed, with consequent decrease in earning power.

Years Ended Dec. 31	Gross Earnings	Net Earnings
1943	$21,859,573	$9,096,959
1942	25,109,662	12,201,619
1941	20,622,999	12,199,910
1940	16,119,135	9,062,226
1939	13,486,456	9,339,585
1938	8,027,050	6,213,725
1937	20,762,947	14,669,663
1936	11,192,281	6,953,158

	Per Share: Earned	Paid
1943	$2.78	$2.50
1942	3.72½	2.50
1941	3.72½	2.50
1940	2.77	2.25
1939	2.85	2.00
1938	1.74	2.50
1937	4.40	3.50
1936	2.13	2.00

	Plant—After Deprec. & Depl.	
1943	$15,137,859	$23,019,777
1942	16,122,348	22,299,559
1941	17,232,672	23,717,703
1940	18,337,201	22,581,274
1939	19,111,610	22,587,950
1938	22,392,700	27,566,410
1937	21,741,300	26,571,105
1936	19,352,076	23,313,516

	Total Assets	Working Capital
1943	$67,341,902	$31,307,105
1942	66,740,877	27,970,318
1941	62,639,218	20,947,694
1940	59,055,329	13,704,628

NON-FERROUS METALS
COMPARISON OF WORLD PRODUCTION AND CANADIAN PRODUCTION

	1939 (In thousands of short tons) World Prod.	Can. Prod.	% of World	1942 World Prod. (Est.	Can. Prod.	% of World
Aluminum (Refined)	749	83	11.1	1,496	336	22.4
Index	100	100	...	199	405	...
Copper (Blister)	2,354	254	10.8	3,045	275	9.0
Index	100	100	...	...	...	...
Lead (All Forms)	1,899	196	10.3	1,884	251	13.3
Index	100	100	...	99	...	...
Nickel (All Forms)	137	113	82.3	171	142	83.0
Index	100	100	...	...	125	...
Zinc (Refined)	1,850	176	9.5	2,316	216	9.3
Index	100	100	...	125	...	...
Total	6,989	822	11.8	8,912	1,220	13.7
	100	100	...	...	...	...

1939	56,845,996	10,535,662	
1938	54,716,892	7,008,662	
1937	59,253,808	11,668,831	
1936	52,069,502	12,296,195	

Hudson Bay M. & S. Co.

Hudson Bay Mining and Smelting Co., Ltd., owns and operates a valuable copper-zinc property on the northern borders of Manitoba and Saskatchewan known as the Flin Flon Mines. At Flin Flon, Manitoba, operates concentrators and smelters, and, through a wholly-owned subsidiary, Churchill River Power Co., Ltd., controls its own power requirement. Has a prospecting and exploration subsidiary and also an air transport and flying subsidiary.

In common with other Canadian base metals producers, entire surplus output after providing for Canadian market, is sold under contract to British Supply Ministry.

Intensive war demand for base metals has prompted company to find any way possible of increasing its output and, as a step in this direction, a pilot mill has been installed as a result of considerable research which will test out the possibility of extracting copper and zinc from company's huge residue pile at its chief property. Production facilities have been expanded in other directions; ore resources were increased through acquisition of the neighboring Mandy Mines property, and, through a wholly owned subsidiary, Emergency Metals Ltd., will be developed, and chromite deposits at Lac du Bonnet are also being developed by company.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 22,649,237	$ 7,521,142
1942	20,643,026	7,324,080
1941	18,658,626	6,992,630
1940	15,994,387	5,918,855
1939	14,952,463	5,249,914
1938	13,911,385	4,435,432
1937	17,185,554	7,490,653
1936	11,464,348	3,692,075

	Per Share: Earned	Paid
1943	$2.73	$2.00
1942	2.66	2.00
1941	2.53	2.00
1940	2.16	2.00
1939	1.90	1.75
1938	1.61	1.50
1937	2.72	1.75
1936	1.34	1.00

	Plant—After Deprec.	
1943	$ 24,124,628	$.....
1942	25,805,393	.....
1941	24,658,220	$ 13,356,490
1940	24,908,099	12,347,241
1939	24,437,116	11,422,029
1938	23,856,318	10,561,753
1937	23,255,795	9,710,589
1936	22,926,345	8,639,754

	Total Assets	Working Capital
1943	$ 46,925,646	$ 18,172,031
1942	45,151,466	15,049,585
1941	43,682,058	13,161,340
1940	41,305,046	10,850,678
1939	39,713,000	10,588,458
1938	39,221,921	10,215,199
1937	39,237,433	9,389,220
1936	35,710,010	6,645,749

International Nickel Co.

The International Nickel Co. of Canada Limited, supplies the great bulk of the world's requirements of Nickel, monel metal and other nickel products. Also is a leading world producer of copper which occurs in considerable volume in ore from company's mines and produces platinum and allied precious metals in considerable volume.

Mines, with huge reserves of ore, are located in the Sudbury region of Ontario, a smelter is operated at Copper Cliff, near Sudbury. Has refineries at Copper Cliff and Clydach, Wales and a rolling mill at Huntingdon, W. Va.

Prior to and during war of 1914-1918 nickel was generally looked upon as a war product, but, due to efforts of International Nickel's research division a wide variety of peace-time uses for the metal and its alloys have been developed. Productive capacity of company has been strained to the limit, as a result of war demand facilities have already been increased materially and further major extensions are now being undertaken. A $35,000,000 plant extension program is now nearly completed.

Recent shortage of manpower supply has reduced the company's output, and consequently earnings. As a result of this state of affairs, it was found necessary early this year to reduce the dividend rate from $2 to $1.60 per annum.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$68,380,764	$31,127,204
1942	76,949,611	33,301,829
1941	79,326,768	34,356,401
1940	69,301,521	35,544,772
1939	60,319,512	36,847,466
1938	50,536,774	32,874,332
1937	71,036,214	50,241,787
1936	54,689,037	36,581,645

	Per Share Common: Earned	Paid
1943	$2.00	$2.00
1942	2.15	2.00
1941	2.22	2.00
1940	2.30	2.00
1939	2.30	2.00
1938	2.09	2.00
1937	3.31	2.25
1936	2.39	1.30

	Plant—After Deprec.	
1943	$148,686,110	$105,002,251
1942	155,912,400	92,847,159
1941	156,976,400	81,884,913
1940	153,121,001	70,372,482
1939	159,605,502	63,496,855
1938	158,350,836	56,754,887
1937	154,617,168	51,333,725
1936	153,696,746	44,910,705

	Total Assets	Working Capital
1943	$290,064,791	$96,935,202
1942	294,345,681	88,762,799
1941	298,472,679	82,957,549
1940	279,164,908	74,999,980
1939	261,156,321	66,519,563
1938	253,076,263	63,749,717
1937	254,076,836	67,107,723
1936	233,520,467	63,610,031

Noranda Mines Ltd.

Noranda Mines Limited operating the Horne Mine in Northwestern Quebec is one of the largest producers of capper in Canada. With gold associated in impressive quantites in the Horne ore, company is also well up among the leading gold producers in the Dominion.

Company controls, through majority stock ownership, other base metal and gold producers including Waite-Amulet Mines, Pamour Porcupine, Hallnor and Aunor. Operates its own concentrator and smelter at the Horne property, controls Canadian Copper Refiners Limited, with a refinery at Montreal East, and owns a substantial stock interest in Canada Wire & Cable Co.

Company has a ready market for its copper production through buying agreement with British Purchasing Board, an agreement which was recently renewed with provision made for change in price in relation to rise in costs during past year.

In common with other base metal producers, the company has experienced labor shortages, which have necessitated the shut-down of one of the furnaces at the smelter. This has had some effect on earnings, but not to a serious extent, as costs have also been materially reduced due to the shut-down.

Gold mining subsidiaries and affiliates have also been adversely affected in operations and earnings by the labor shortage. Noranda's income from these sources has been correspondingly reduced to some extent.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 16,631,396	$ 11,601,749
1942	15,776,375	10,684,645
1941	15,858,348	11,663,622
1940	13,367,708	10,094,421
1939	13,046,834	11,161,260
1938	11,494,298	9,585,843
1937	11,110,539	9,274,636
1936	11,066,292	9,268,036

	Per Share: Earned	Paid
1943	$5.18	$4.00
1942	4.77	4.00
1941	4.94	4.00
1940	4.50	4.00
1939	4.99	4.00
1938	4.28	4.00
1937	4.14	3.25
1936	4.14	3.00

	Property—Before Deprec.	
1943	$ 16,968,981	$ 13,702,737
1942	16,668,954	13,171,064
1941	13,655,851	12,625,463
1940	13,233,167	12,081,484
1939	12,801,451	11,561,569
1938	14,505,084	11,115,652
1937	14,011,369	10,576,021
1936	13,106,799	10,035,899

	Total Assets	Working Capital
1943	$ 58,024,785	$ 19,567,957
1942	55,450,843	17,585,509
1941	52,900,051	15,176,880
1940	48,507,874	14,555,642
1939	46,251,984	13,035,111
1938	43,176,542	12,923,105
1937	40,780,691	12,272,946
1936	38,238,643	10,532,554

Synthetic Rubber Output Expanding

Canadian production of synthetic rubber tires for civilian passenger car use is stated to be climbing to within 70 per cent of prewar usage. Production this year is expected to be almost 50 per cent greater than the nearly 600,000 tires produced last year.

With a few exceptions this output of tires has been absorbed by the large demands of the small group of privileged essential users who were originally allowed to purchase new tires after the post-Pearl Harbor ban was lifted. Some new groups, such as taxi drivers, who were at one time unable to get new synthetic tires, can now purchase them freely. For the most part, it is the extraordinary demands of the original group which have swallowed up all the new available product.

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Pathfinding for Tomorrow

The illustration and listings presented here suggest the wide variety of work produced by the engineering and plant facilities of Dominion Bridge Company Limited.

To the Company's 60 years of experience in heavy construction there are now added the new skills, new techniques and new efficiencies derived through war-time operations, further equipping the Company to successfully meet the demands of industry in the post-war period.

Steel Structures . . . Fixed and Moveable Railway and Highway Bridges . . . Medium and Heavy Platework and Pressure Vessels . . . Overhead Cranes . . . Hydraulic Regulating Gates . . . Locomotive Turntables . . . Heating and Power Boilers . . . Coal Pulverizers . . . Clamshell Buckets . . . Caissons . . . Barges . . . Coal and Ore Bridges and Unloading Towers . . . Forgings and General Machine Work.

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DOMINION BRIDGE COMPANY LIMITED

Head Office: LACHINE (MONTREAL) CANADA

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Agencies: EDMONTON REGINA

Canadian-Made Steel Plays Major War-Time Role

Industry's Output, Doubled Since 1939, Now Ranks Fourth Among United Nations; Surplus Available For Civilian Needs

ON THE beachheads and invasion lines in France — wherever our fighting navy joins battle with enemy craft — when Canadians assail Axis military or industrial targets from the skies — four times out of five Canadian-made steel is bringing nearer the day of Allied victory.

Prerequisite to the making of every destructive war device, even though as an ingredient it may in certain cases have been supplanted by plastics, steel is yet needed to unearth, transport and fabricate raw materials, and to carry supplies to the war fronts. If no steel were available, man would still fight his battles hand-to-hand, or with rock and catapult, as did his primitive forebears.

Canada's steel production, planned with meticulous care, has doubled since the outbreak of war, and the Dominion now ranks fourth among the United Nations in this respect, after the United States, the Union of Soviet Socialist Republics, and the United Kingdom.

Despite a steel scarcity so acute as to place Canada's entire war effort in jeopardy for many months after the fall of France, no serious interruption has occurred at any time in Canadian production or service. In fact, at the end of 1943, with the completion of most large-scale construction enterprises, and the fulfilment of war material quotas, a surplus was available not only to cover war wastage, but for certain civilian needs as well. The only shortages of any consequence were in sheet and strip steel, and malleable iron castings.

Always Heavy Importer

Canada has always been a heavy importer of steel from the United States and Britain. Early in the war the British sources were cut off, and the nation had to rely on the United States and its own resources. Despite an enormous, rise in consumption, this country now depends on its southern neighbor for only about one-quarter of its supplies, instead of the pre-war ratio of one-third.

Because of increased plant capacity, new techniques, and new experience which made this amazing achievement possible, Canada will be in a more independent position in the post-war world. The nation will face a quickening of its industrial pulse with a steel capacity capable of supplying enormous demands. It will be possible to ship building materials, automotive equipment, machinery, and other steel supplies to help in the reconstruction of the devastated areas of Europe and Asia. And also it will be possible, in due course, to fill the backlog of orders for automobiles, refrigerators, sewing machines, typewriters, and thousands of other Canadian civilian requirements.

Before this war Canada had never manufactured a pound of armor plate. Today the quality of her product is so high, and the manufacturing process so skilful, that metallurgists from Britain and the United States have come to observe the operations. The one mill making this plate has turned out enough to load a mile-long freight train every month. This quantity took care of all Canadian requirements for this type of steel for tanks, armored vehicles, gunshields and for certain Canadian naval purposes.

Fortunately when the war began the Canadian steel mills had a sizeable unused capacity. In 1939 the Canadian production of steel ingots was under 1.5 million tons; in 1940 just over two million; in 1941 just over 2.5 million; and in 1942 and 1943 almost three million. In 1942 the ingot shortage was so serious that it was necessary to bring in nearly 100,000 tons of ordinary-size ingots from the United States, whereas before the war the only ingots imported were special order sizes or qualities. For example, to make the driving shaft of a ship might require an ingot larger than any produced in Canada.

For 1944 Canada will require more than three million product tons of steel of all kinds, and of this the United States mills will supply only about one-fifth. Last year the requirements totalled about the same, but the imports from the United States were more than one million. Plate production is up 400 per cent, steel castings up 240 per cent, and shell steel is being made at a rate of approximately 200,000 tons a year. More than 500,000 tons of steel per year are going into tanks and other military vehicles.

With the advent of war, peacetime products vanished and in their place swiftly came steel for shells, guns, planes, armor plate, ships, and so forth. Besause of the greatly increased tonnage requirements of alloy steels for armament purposes far beyond anything previously made in Canada, and necessitating the installation of new steel melting furnaces and auxiliary equipment, it became apparent that, temporarily at least, there would be a shortage of steel alloying elements such as nickel, manganese, chromium, vanadium and molybdenum.

Shipbuilding Main Use

From the standpoint of tonnage, the most important use for Canada's war steel has been in shipbuilding. A 10,000-ton cargo vessel requires about 2,400 tons, in plates alone. The steel for such plates is an ordinary, good-grade commercial mild carbon, such as that used in large petroleum or water tanks. The only production problem was to obtain quantity rather than particularly high quality.

In making the steel for guns, shells, tanks, or armored vehicles, the problem was more difficult. It involved both quality and quantity. Canada undertook to turn out armor plate ranging in thickness from one-eighth of an inch to about two and a half inches. Even the lightest of such plate must stop a bullet from a .303 machine gun, and is used extensively in shields for corvette and minesweeper gun crews. Intermediate thicknesses go into various fighting vehicles such as universal carriers, and the heaviest go into big tanks and armored cars.

Gun barrels, breech blocks, and other gun parts call for special alloy steels made in electric furnaces, which allow more accurate temperature control. Whereas gun or armor steels must be tough and hard, shell steel must shatter evenly and in all directions. So shell steel is a medium carbon similar to that in an automobile crankshaft.

The manufacture of gun or armor steel is a touch-and-go task. The melt is an appropriate alloy, which calls for careful heating, tempering, and annealing, then reheating to make it less brittle, more shockproof. The Canadian technicians responsible for this steel did not depend only on the experience of steel makers in other countries. Even before the war they had worked out a few new tricks of their own. For example, they discovered that the old method of pouring ingots from the top of the mould caused too-sudden cooling and contraction in the top centre. Today they pour from the bottom, and at the same time burn straw on top of the mould. Notwithstanding this and other improvements in the process, the yield from this type is only fifty per cent.

Iron Ore Lacking

Throughout its history, the Canadian steel industry has been handicapped not only by the comparative smallness of the home market, but also by a lack of adequate domestic iron ore, and in Ontario a lack of the necessary coal for making coke.

From 1923 to 1939 Canada produced no recorded output of iron ore. In 1937 the rebuilding of surface equipment was started at the Helen mine in the Michipicoten district of Ontario. The ore from this mine is an iron carbonate with a low iron content (approximately 36 per cent), and rather high in surphur. It requires sintering, a form of roasting, before it can be used in a blast furnace. Assisted by an Ontario government subsidy promised for ten years from January 1, 1939, and on the basis of two cents per unit of iron content, the operations got under way in 1939, in time to be of value in the war program. Development work also has started on an iron ore body at Steep Rock Lake in northwestern Ontario.

Except for these two sources, existing and potential, and a mine in New Brunswick, Canda has to depend on imports. All the Canadian steel companies operating blast furnaces either own their own mines, possess a part interest, or have long-term contracts with the producers.

Although record imports have been required, the Lake Superior ore fields have been able to meet Canadian demands. The blast furnaces at Hamilton, and the plants at the Sault and Port Colborne, secure their supplies from this source except that the Sault also receives iron ore from its own Helen mine. Their only difficulty has been a shortage of unloading facilities and it was for this reason that the large Hamilton plant built an additional ore bridge at that Lake Ontario port, and an additional ore bridge was built at the Sault.

The Sault company produces annually from 450,000 to 475,000 tons of ore at its Michipicoten mine, and exports about half this amount to the United States in exchange for U.S. Lake Superior ores of required qualities.

With one minor exception, all the blast furnace operators in Canada also have their own coke ovens. The exception is the small iron plant at Port Colborne, which depends on United States sources.

By the middle of 1943, a battery of 86 new coke ovens had been installed at the Sault and in addition to meeting the requirements of its own furnaces and of the nickel smelters the Sault plant produced a large tonnage of domestic coke, and the pressure on the Montreal coke company was relieved. The additional coke thus made available helped to relieve the fuel shortage in Ontario and Quebec.

Coke ovens were erected at Hamilton to supply gas for the district. The coke was not suitable for blast furnace use.

Pig iron is produced in a blast furnace to diverse analyses. It is used with scrap in producing steel in open hearth furnaces, or by the foundries in producing ordinary gray iron or malleable castings.

The "Big Three" steel companies—the biggest of the Hamilton plants and the plants at Sault Ste. Marie and Sydney—operate blast furnaces and produce basic iron for use in their own open hearth furnaces. Under ordinary circumstances, the Hamilton and Sault plants also make foundry and malleable iron for the commercial market. The Port Colborne plant makes iron exclusively for sale to the foundries.

Steel in bar form represents about one-quarter of the output of the Canadian mills. It is rolled in rounds, squares, flats, angles, and suchlike, in a wide range of qualities and sizes for a multitude of articles ranging from small shells to tank axles, universal carrier frames to ship bolts, horseshoes to washing machine legs, axes to tractor pistons.

Individual orders from the manufactures are usually in much smaller quantities than for plate or heavy structural steels, and the number of such orders runs into the thousands.

The larger structural steels, known as the "big bones of the building industry," are produced in Canada only at Sault Ste. Marie. With the fall of France, and the consequent sudden call for added war plant facilities, the demand on this mill exceeded its capacity. This demand continued at a high level until toward the close of 1942, when it again became possible to allow the railways greater quantities of rails.

Steel plates are the tough hides of destroyers, minesweepers, corvettes, cargo ships, tanks, armored cars, and gun crew shields.

So long as an acute shortage lasted, no plate, other than ends and large shearings, was released for any but the most essential purposes. Imports from the United States, which continued high until the last few weeks of 1943, were all channeled into high priority uses.

Wire Steel Demands

In 1942 at the peak of the steel shortage nails were being used at an annual rate of 100,000 tons, or enough in terms of raw steel to supply all the needs of the Canadian gun program. Until April of that year civilian demands for wire steel in the form of nails, barbed wire, hay wire, baling wire, and other kinds of wire steel, had been met from inventories. Comparatively little of such steel had been needed for war purposes other than for military and prisoners' camp fencing, for packaging wire, and for a special type of barbed wire known as concertina. But when the demands suddenly rose, it became impossible to allot sufficient raw steel to make the required wire steel. Quotas were imposed on the wire steel mills, and sales were limited to not over 500 pounds, except by approval of the Steel Control. Special demands, such as the need for nails for building the storage facilities to hold the bumper western grain crop, and the requirements of Wartime Housing Limited, were taken care of outside the quota.

The chief producers of steel castings for war purposes have been the larger foundries, but some small foundries have played an important part in turning out essential items.

The production of malleable castings has been under the direction of a committee working with the Co-ordinator of Production, and the Steel Control.

Mere producing figures do not tell the story of Canadian steelmaking in this war. The most amazing achievements have been in quality rather than quantity.

To nearly treble the capacity of Canadian industry, as has been done since the outbreak of hostilities, machine tools of all kinds were needed. Enough such tools could not be obtained from outside sources, and it became necessary not only to make the tools in this country, but also to make the high-grade alloy steels from which the tools are manufactured. It was also necessary to develop quickly new facilities for makisg other fine steels for guns, aircraft, and other war equipment.

To obtain such steels, the government decided to build a new plant adjoining and forming an integral part of a company already specializing in high quality products. The choice, for many reasons, was the plant of Atlas Steels Limited in Welland, Ontario, which before the war was turning out high-speed alloy and carbon steels, stainless steels, and other alloys.

In the early days of the war, when the Canadian manufacturer could not obtain his requirements from the domestic producers, he was told to order from the United States. However, when that nation's preparedness program got into swing this access to U.S. sources became more difficult. Early in 1941, preference ratings were established by Washington, and the principle was recognized, under the terms of the Hyde Park agreement, that Canadian purchasers would receive the same concessions as American purchasers.

To determine what orders should be filled and which of these should get a priority, and later to determine the complex degrees of priority, became one of the worst headaches of the whole war effort. The Canadian Steel Control was drawn into a vortex of orders and amendments to orders, and generally speaking was given the task of determining the steel import requirements, of allocating the imports, and of policing the users to prevent misuse.

By restricting civilian use of steel to the barest minimum, the Canadian war program was maintained despite the rising demand.

It takes steel to make steel. Except in a Bessemer furnace, it is impracticable to make steel from pig iron alone. A proportion of scrap steel is essential.

Recognition of the need for salvaging iron and steel scrap led Canadians to inaugurate salvage drives, and the initial gathering of household and farm articles in comparatively small tonnages became the patriotic endeavor of many charitable organizations welded together into local committees under the leadership of a government agency, the National War Salvage Committee.

Steel Control

In the fateful days of the spring and early summer of 1940, things moved fast. Norway, Denmark, Luxembourg, the Netherlands, Belgium, and then France, fell to the enemy in rapid succession. Alone, England prepared to withstand the threatened invasion, and if need be to carry on the war from Canada.

Anxious and full of uncertainties, this country sprang into quick action. Within a matter of days, additional plans were drafted for great new industrial facilities. Factories were to be built. Power plants expanded. Base metal mining stepped up. The whole tempo of Canadian life was to be accelerated.

All the plans called for steel. Great quantities would be needed. So on June 24, 1940, two days after Hitler signed an armistice with the French generals, the Department of Munitions and Supply, already a lusty infant, launched the Steel Control, and appointed the first of two officers who have held the post of Controller.

Since the middle of 1942, lumber has been in short supply, and the Construction Control has found it necessary to eliminate all non-essential building. This in turn helped the steel situation.

In the latter half of 1940, the meat packing industry was persuaded to use wood or fibre board instead of tin containers for packaging lard or shortening. Other distributors followed suit and many articles, including the flat boxes of 50 cigarettes, were no longer sold in tin containers. Later, at the instance of the Metals Control, the Wartime Prices and Trade Board banned the use of tinplate for packaging a long list of cossumer items, including many foodstuffs.

Steel culverts came under a ban early in 1942. To make such culverts calls for a heavy gauge, usually copper-bearing steel, whereas wood or concrete will serve in most instances equally well.

When the Canadian processors of non-essential items, such as metal toys, sporting goods, or steel filing cabinets, found they could not obtain Canadian steel, they tried to obtain their supplies from the United States. At first they were successful in this, but after the first U.S. regulations went into effect in 1941, their supply source dried up.

Much steel was saved by the Department through orders of Controls other than the Steel Control. The Supplies Control, which until early in 1942 had jurisdiction over scores of end-products, banned or restricted production of a long list of articles, including washing machines, radios, stoves, beds, metal toys, refrigerators, metal office furniture and equipment, roller skates.

In August, 1942, a consolidation of the directives regarding structural shapes and bars was issued, and in the same month another consolidation affected plates, sheets, and forgings. Also in August stainless steel came under a formal permit system. In October the variety of wire nails was limited, and in November the structural steel order was made more severe. One year later this structural steel order was cancelled.

The following year, 1943, saw three new restrictions of importance. To conserve zinc and to conserve steel sheet, an order in May, 1943, limited the sale and use of steel roofing sheet. In August the wire rope mekers were ordered to produce fewer and simpler, standardized types and, at about the same time, sales of wire steel for making nails, hay wire, and other wire items, were limited to 500 pounds ex-permit. Steps were taken late in the year to rescind this wire order.

CANADA'S IRON AND STEEL PRODUCTION
(In long tons)

Year	Pig Iron	Ferro Alloys	Steel Ingots & Castings
1913	1,008,006	7,210	1,043,744
1914	699,254	6,718	739,858
1915	815,871	9,638	911,414
1916	1,043,979	25,556	1,275,222
1917	1,045,071	38,808	1,558,691
1918	1,067,456	39,914	1,672,954
1919	819,447	43,394	919,948
1920	973,568	27,781	1,100,622
1921	593,829	22,608	667,484
1922	382,967	21,602	480,127
1923	879,822	41,887	881,523
1924	593,049	35,034	659,767
1925	570,766	25,709	752,503
1926	757,317	57,050	776,262
1927	709,697	56,230	907,945
1928	1,037,727	44,482	1,234,719
1929	1,080,160	89,116	1,378,024
1930	747,178	65,223	1,009,578
1931	420,038	46,764	672,109
1932	144,130	16,161	339,346
1933	227,317	30,133	409,979
1934	404,995	31,921	737,782
1935	599,875	56,616	941,527
1936	678,231	76,284	1,115,779
1937	898,855	82,072	1,402,882
1938	705,427	55,926	1,155,190
1939	755,731	76,375	1,383,262
1940	1,168,839	133,387	2,015,447
1941	1,364,336	182,459	2,411,888
1942	1,773,337	186,608	2,787,067
1943*	1,610,000	194,800	2,708,000

* Estimated.

Algoma Steel Corp

Algoma Steel Corporation, Ltd., operates, at Sault Ste. Marie, Ontario, one of the largest iron and steel producing properties in Canada, comprising coke ovens (158), benzol refining plant, blast furnaces (4), open hearth plant, duplex plant, rolling mills, tinplate and sheet mill, grinding ball mill, machine shops, power plant, electrical machine shop and iron and steel foundries.

Plant is located on water front on the St. Mary River, which connects Lake Superior and Lake Huron and company operates 40 miles of standard gauge railway on its property. Wholly-owned subsidiaries comprise Algoma Ore Properties, Ltd., which owns and operates the new Helen Mine which has estimated ore reserves of 65 million tons of siderite ore with over 35 per cent iron content, also Algoma Tramways, Ltd., Cannelton Coal & Cable Co. (with properties in West Virginial), Fiborn Limestone Co. (with properties in Michigan), and Lake Superior Coal Co. (with properties in W. Virginia.

Plant facilities of Algoma Steel since the war started have been largely engaged in production for the war, and these facilities have been substantially increased to meet wartime demands. Recent capital outlay of $8.8 millions have provided for the construction of a new 44-inch blooming mill, a 25 inch continuous billet mill, coke ovens, blast furnaces, coal storage, docks, and other works under arrangement with the Ottawa government.

Years ended April 30	Gross Earnings	Net Earnings
1943	$3,817,437	$816,803
1942	2,626,788	414,444
1941	2,479,594	911,816
1940	1,217,262	780,239
1939	416,172	227,433
1938	869,488	641,254
1937	255,490	172,600
1936	728,375	541,815
	Per Share Common: Earned	Paid
1943	$1.79	Nil
1942	0.75	Nil
1941	1.95	Nil
1940	1.62	Nil
1939	.29	Nil
1938	1.30	Nil
1937	.15	Nil
1936	4.22	Nil
	Plant—After Deprec.	
1943	$25,413,242	$7,523,365
1942	20,723,220	3,419,635
1941	15,722,378	3,003,387
1940	16,126,475	2,785,028
1939	15,423,216	2,118,694
1938	13,941,798	1,573,302
1937	13,139,635	1,035,273
1936	13,479,430	511,704
	Total Assets	Working Capital
1943	$33,297,312	$6,130,004
1942	34,576,925	4,244,257
1941	28,211,844	5,518,935
1940	27,180,498	4,017,535
1939	25,539,273	5,029,067
1938	23,685,562	3,658,471
1937	20,234,158	3,921,721
1936	20,906,476	3,204,886

W. D. Beath & Son Ltd.

W. D. Beath & Son Ltd., operates plants at Toronto, Montreal and Regina and produces a variety of stock products including steel containers, hoists and dump truck bodies, steel barrels, drums, tanks, pumps, service station and dry-cleaning equipment, snow plows, road planers, and scrapers.

Since the start of the war the company has been largely engaged in making products for war purposes. Recently the company has operated at capacity chiefly on war orders.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$299,329	$109,006
1942	377,525	131,596
1941	312,610	136,273
1940	203,803	91,781
1939	48,259	d 903
1938	15,393	d8,904
1937	48,259	d 570
1936	10,577	d3,380
	* Per Share Earned	Paid
1943	$1.09	Nil
1942	1.32	Nil
1941	1.36	Nil
1940	0.92	Nil
1939	d0.01	Nil
1938	d0.09	Nil
1937	d0.05	Nil
1936	d0.03	Nil
* Class "A".		
	Plant—After Deprec.	
1943	$542,879	$655,826
1942	614,425	572,562
1941	711,262	449,386
1940	680,478	373,731
1939	787,747	239,475
1938	811,471	212,565
1937	834,426	190,567
1936	884,371	145,049
	Total Assets	Working Capital
1943	$3,683,978	$754,479
1942	3,283,413	676,855
1941	3,237,264	606,049
1940	2,832,577	502,143
1939	2,737,100	374,339
1938	2,726,160	356,501
1937	2,741,508	341,589
1936	2,744,577	291,294

d—Deficit

Can. Locomotive Co.

Canadian Locomotive Co. Limited, operates at Kingston, Ontario, a plant primarily intended for the output of railway locomotives. Plant comprises machine shop, boiler shop, blacksmith shop, erecting shop, tender shop, tank shop, electric shop, carpenter shop, pattern shop, iron and brass foundries and power house. In recent years company extended its lines of production to include the output of mining machinery. Capacity of the plant is about 180 locomotives yearly.

Since the war started a large part of the company's plant has been converted to war work. Major part of the company's operating activities has been centered on providing supplies and armament for both the army and navy, but, in past year there has been a considerable switch-over to production of regular lines.

Orders for locomotives for domestic and foreign use ensure capacity operations continuing at least into the early months of 1945.

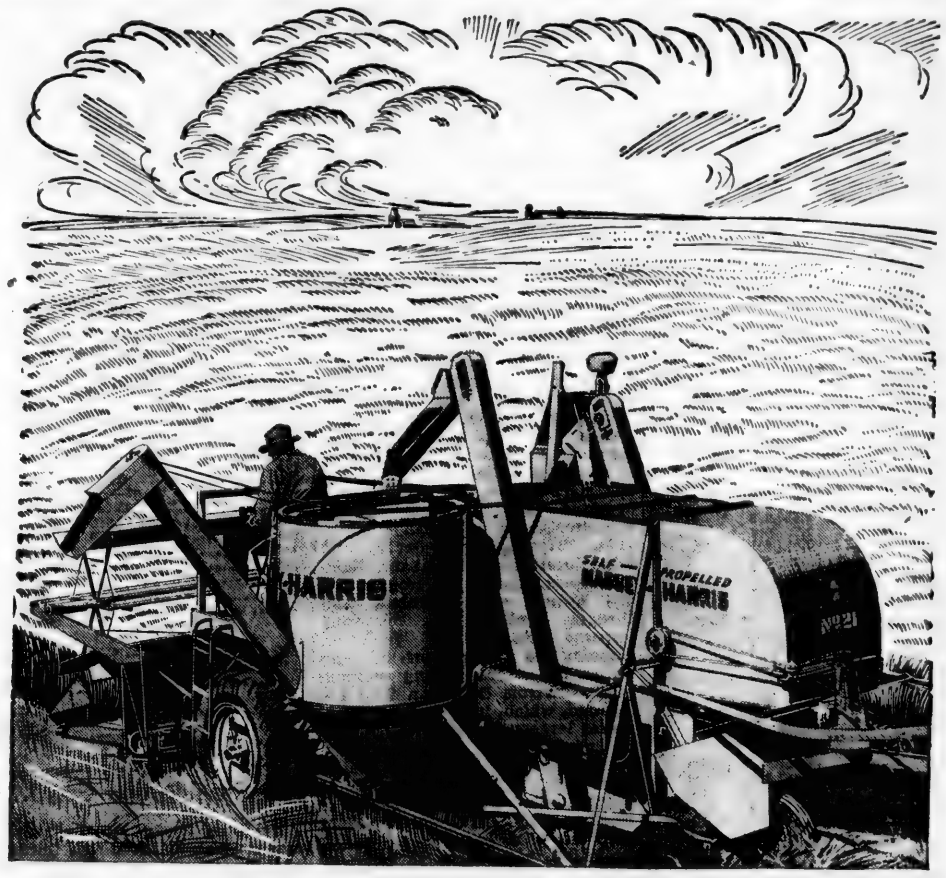
Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$1,949,480	$442,078
1942	1,274,577	66,759
1941	567,999	155,494
1940	485,705	27,380
1939	d43,004	d85,132
1938	577,288	182,077
1937	258,106	12,329
1936	83,166	Nil
	Plant—After Deprec.	
1943	$1,130,365	$928,545
1942	949,496	578,011
1941	1,036,243	758,507
1940	1,141,368	562,697
1939	1,225,247	484,945
1938	1,200,350	484,945
1937	1,440,099	248,646
1936	1,579,882	52,517
	Total Assets	Working Capital
1943	$3,240,157	$1,131,569
1942	3,204,002	1,270,517
1941	4,504,283	1,043,447
1940	3,021,073	705,942
1939	3,025,661	608,476
1938	2,688,322	806,436
1937	2,829,419	377,567
1936	1,906,053	215,325

Can. Foundries & Forgings

Canada Foundries & Forgings Ltd. operates platns at Brockville and Welland, Ontario, where it produces a wide range of heavy hardware, pumps, furnaces, axes, tools, heavy and drop forgings.

War demands for all varieties of steel products, forgings, etc., has

(Continued on page 18)



Harvesting with the self-propelled combine is harvesting in the easiest, quickest, and most economical form. "Self-propelled" eliminates the expense of a tractor and tractor operator.

MASSEY-HARRIS LEADS AGAIN
***with the* SELF-PROPELLED COMBINE**

New developments in agricultural equipment are primary factors in national progress. The reaper and the self-binder brought relief for the toil-burdened farmers and made manpower available for the start and expansion of the great industrial accomplishments on this continent.

Prewar forerunner of a postwar trend the Massey-Harris Self-propelled Combine has given implement engineers another new concept of modern farm mechanization. The self-propelled combine holds the promise of another step forward in farming methods that will enable agriculture to keep pace with the progress of the times.

Since pioneer days Massey-Harris has made available to the farmers of Canada the latest and best in time and labor-saving equipment. In the perfection of the self-propelled combine the company has again shown the leadership in design and performance that have made Massey-Harris products so acceptable to farmers in home and overseas markets.

MASSEY-HARRIS COMPANY, LIMITED
ESTABLISHED 1847

Canadian-Made Steel Plays Major War-Time Role

(Continued from page 17)

made this company an important industrial unit in the war program. Additional plant facilities have been added, to meet wartime demands. Capacity operations are indicated for the duration of the war.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$853,970	$83,429
1942	1,047,092	174,933
1941	578,622	147,373
1940	351,922	105,010
1939	155,662	104,956
1938	73,140	41,413
1937	191,045	140,321
	Per Share Stock "B"	
	Earned	Paid
1943	$1 81	$1.50
1942	5 57	1 50
1941	3.10	1 50
1940	2 26	1.50
1939	2 26	Nil
1938	1 09	Nil
1937	2.95	Nil
	Plant—After	Deprec
1943	$868,130	$789,012
1942	950,404	757,021
1941	994,411	720,564
1940	1,065,045	695,335
1939	1,096,581	654,403
1938	1,083,057	642,043
1937	1,182,239	621,653
	Total Assets	Working Capital
1943	$2,006,100	$750,451
1942	3,352,236	748,562
1941	2,605,564	610,640
1940	2,273,583	451,876
1939	2,043,604	422,606
1938	1,859,402	370,565
1937	2,124,978	858,726

½ On combined "A" and "B" stocks

Can. Iron Foundries

Canada Iron Foundries Ltd., operates plants in Three Rivers, Quebec; Hamilton, Ft. William, and St. Thomas, Ont.; Bathurst and Newcastle, N.B.; and Annapolis, Londonderry, N.S. Products consist of car wheels and all varieties of castings. A substantial interest is owned in the Provincial Pipe Co., of Canada, which manufactures reinforced concrete pipe.

The company has been operating all departments at full capacity. The subsidiary foundry plants also have been increasingly active.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 651,885	$1,014,601
1942	1,014,601	404,204
1941	1,207,108	491,474
1940	909,456	518,417
1939	471,625	367,092
1938	271,409	202,981
1937	410,739	325,634
1936	348,317	287,376
	Per Share Common:	
	Earned	Paid
1943	$ 6.52	Nil
1942	10.07	Nil
1941	16.19	6.00
1940	17.84	6.00
1939	8.41	2.00
1938	d.18	Nil
1937	8.24	Nil
1936	3.42	Nil
	Plant—After	Deprec.
1943	$3,307,562	$3,372,676
1942	3,372,676	3,911,078
1941	3,441,988	3,549,282
1940	3,221,935	3,303,648
1939	3,093,563	3,241,609
1938	3,094,865	3,204,008
1937	3,034,611	3,167,743
1936	2,971,119	3,141,196
	Total Assets	Working Capital
1943	$9,237,782	$1,775,496
1942	9,315,980	1,640,823
1941	8,959,913	1,380,119
1940	8,651,728	1,454,755
1939	7,979,995	1,335,428
1938	7,694,398	1,221,121
1937	7,818,280	1,165,985
1936	7,582,817	975,360

Cockshutt Plow Co.

Cockshutt Plow Co. Limited, operates a plant at Brantford for the production of ploughs and other farm machinery. Controls, through full stock ownership, The Frost & Wood Co., Limited, and subsidiaries, with a plant at Smith Falls, Ont.

Company had a big export business in the United Kingdom and other parts of Europe which has been affected by war developments.

However, due to production for war purposes, plant facilities have been operated at capacity. Sale of farm equipment by company in Canada is being increased due to easing of restrictions on steel use.

Years ended Nov. 30	Gross Earnings	Net Earnings
1943	$1,936,024	$ 397,918
1942	2,580,250	538,747
1941	1,860,540	471,262
1940	1,018,691	256,013
1939	666,486	57,176
1938	719,803	12,630
1937	667,543	183,091
1936	355,111	21,486
	Per Share:	
	Earned	Paid
1943	$1.32	0.50
1942	1 79	0.50
1941	1.55	0.25
1940	0.78	Nil
1939	0.19	Nil
1938	0.04	Nil
1937	0.61	Nil
1936	0.07	Nil
	Plant—After	Deprec.
1943	$3,687,250	$4,807,097
1942	4,080,846	3,699,727
1941	3,756,260	2,749,013
1940	3,695,520	2,459,518
1939	3,618,232	2,345,491
1938	3,659,237	2,170,254
1937	3,733,681	1,983,955
1936	3,819,198	1,793,052
	Total Assets	Working Capital
1943	$11,394,088	$4,504,610
1942	12,775,105	4,699,826
1941	12,715,534	4,511,515
1940	11,562,252	4,259,551
1939	10,650,972	4,059,072
1938	11,172,220	3,916,415
1937	10,595,532	3,800,060
1936	9,759,594	3,543,293

Dominion Bridge Co.

Dominion Bridge Co. Ltd., largest operator in the structural steel industry in Canada has, with wholly owned subsidiaries, plants in Lachine, Que., Amherst, N.S., Ottawa, Toronto, Winnipeg, Calgary and Vancouver. Subsidiaries comprise The Robb Engineering Works, Manitoba Bridge & Iron Works, Limited, Riverside Iron Works, McGregor-McIntyre Iron Works Limited, Sault Structural Steel Co. Ltd., and Standard Iron Works Limited (the latter majority ownership). Also controls, through 62% stock ownership, Dominion Engineering Works, Limited, and controls jointly with Dom. Engineering and American Hoist and Derrick Co., the Dominion Hoist and Shovel Co., Limited.

Since the war started, the company has been called upon to furnish an exceptionally large tonnage of structural steel and plate work for various firms extending their plants to take care of war orders. As a result company has had to work its plants on a 24-hour basis, and capacity operations are continuing this year. Company's annual output is the largest in its history, exclusive of special work, such as making brass cartridges, cases shells and similar products. The rolling mill at Calgary has been put into production and is furnishing steel to shipbuilding plants on the Pacific Coast as well as to company's plants at Vancouver which have been fabricating ship frames and supplying boilers to builders in that city. Considerable capital outlays have been made in expanding production facilities.

During 1942 company, on partnership with Fraser Brace Ltd., formed United Shipyards Ltd. to participate in cargo vessel building program of government.

Years ended Oct. 31	Gross Earnings	Net Earnings
1943	$8,801,886	$ 929,061
1942	7,549,410	1,023,200
1941	4,546,282	972,965
1940	2,223,386	699,295
1939	1,028,345	371,429
1938	1,180,410	522,014
1937	1,446,215	680,661
1936	885,179	91,612
	Per Share:	
	Earned	Paid
1943	$1 81	$1.20
1942	1 99	1.20
1941	1 89	1.20
1940	1 36	1.20
1939	0.72	1.20
1938	1.04	1.20
1937	1 28	1 20
1936	0.18	1 20
	Plant—After	Deprec.
1943	$7,332,651	$11,795,955
1942	8,021,525	10,355,295
1941	8,067,260	9,462,836
1940	8,249,542	8,773,315
1939	8,364,553	7,907,602
1938	8,688,128	7,569,601
1937	8,891,057	7,391,513
1936	9,144,861	6,928,704
	Total Assets	Working Capital
1943	$29,114,576	$10,331,174
1942	30,067,564	9,309,365
1941	26,291,483	8,955,004
1940	23,895,636	8,409,896
1939	20,499,088	7,699,625
1938	20,471,646	7,699,945
1937	21,223,633	7,600,307
1936	20,141,371	7,320,969

Dom. Foundries & Steel

Dominion Foundries & Steel, Limited, operates a plant in Hamilton, Ontario, for the production of rolled steel plates, steel castings for all purposes; tin plate and freight car axles.

To meet wartime demand for company's products, large-scale plant expansion has been necessary. Company's output has more than doubled since 1939.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$5,654,690	$1,042,015
1942	7,992,256	1,041,888
1941	3,851,291	1,095,529
1940	2,018,777	501,167
1939	2,143,374	1,212,622
1938	2,602,920	1,179,022
1937	1,299,054	737,991
	Per Share Common:	
	Earned	Paid
1943	$2.68	$1.30
1942	2.66	1.25
1941	2.80	1.00
1940	1.21	1.00
1939	3.62	1.00
1938	*7 21	1.45
1937	5.51	1.75

* Before considering 2 for 1 split-up.

	Plant—After	Deprec.
1943	$4,672,818	$13,768,841
1942	5,535,240	11,318,171
1941	5,922,225	6,367,802
1940	6,695,958	4,635,558
1939	4,979,316	3,743,684
1938	4,415,891	3,435,460
1937	4,307,439	3,128,553
	Total Assets	Working Capital
1943	$11,074,183	$4,491,208
1942	12,202,560	3,649,869
1941	11,413,645	2,748,281
1940	9,894,740	1,304,226
1939	8,373,292	2,135,800
1938	7,178,656	1,828,244
1937	6,071,347	1,049,897

Dom. Steel & Coal Corp.

Dominion Steel and Coal corporation Limited operates in Sydney, Cape Breton an iron and steel plant of huge proportions at which a wide range of products, including many by-products, are manufactured. Rolling mills and other iron and steel working plants are also operated through wholly owned subsidiaries, at Montreal, Walkerville, Trenton, Nova Scotia and other locations. At Wabana, Newfoundland, important iron mines are owned and operated, and through subsidiaries, company controls shipbuilding facilities, shipping and railway lines. Through ownership of outstanding common stock, controls Dominion Coal Co. Limited, which, in Cape Breton, operates largest system of coal mines in Canada.

The plants of Dominion Steel & Coal Corp. have been operated at capacity since start of the war to meet wartime requirements. Plant facilities also have been steadily expanded, with ingot capacity increased some 70 per cent since beginning of the war, new by-products plants installed and coke production capacity increased.

Recent additions include: installation of an additional boiler at Sydney steel plant; improvements to plant blast furnaces and open hearth departments; rehabilitation of the 110-inch plate mill; a new 100-ton open hearth furnace installed; an additional 16,000 k.w. generator unit added to power plant; installation of an additional blast furnace; extension to ship repairing facilities of the shipyards subsidiary, including erection of a new machine shop, and completion of an additional 3000-ton marine railway.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$4,773,108	$1,002,386
1942	4,839,792	1,021,744
1941	3,448,797	1,166,053
1940	3,155,684	1,157,373
1939	3,039,194	1,332,599
1938	3,009,311	1,239,177
1937	2,976,696	1,310,828
1936	1,460,026	103,845
	Per Share Class "B"	
	Earned	Paid
1943	$0.96	Nil
1942	0.98	Nil
1941	1.12	Nil
1940	1.11	Nil
1939	1.28	Nil
1938	1.19	Nil
1937	1.55	Nil
1936	Nil	
	Plant—After	Deprec.
1943	$28,488,147	$21,181,758
1942	30,055,348	18,122,265
1941	29,232,372	15,171,077
1940	28,641,731	13,414,447
1939	28,388,096	11,946,523
1938	27,922,890	10,805,424

Eastern Steel Products

Eastern Steel Products Limited with plants in Toronto, Montreal and Preston, Ontario, manufactures a wide range of metal products, including steel swings, steel doors, ventilators, roofing, steel ceilings shingles, barn door hardware, portable garages, implement buildings, poultry, stable and haying equipment and buildings, steel silos, etc. Sales of Eastern Steel Products for 1941 were up sharply over previous year, due directly or indirectly to increased war business. Since then there has been a falling off in non-war work, due to government restrictions on use of steel. Operations this year are at capacity.

Years ended Nov. 30	Gross Earnings	Net Earnings
1943	$425,427	$96,593
1942	503,257	142,463
1941	497,570	157,036
1940	270,625	85,011
1939	141,904	83,427
1938	102,631	50,618
1937	178,581	105,545
1936	71,915	29,381
	Per Share Common:	
	Earned	Paid
1943	$1.36	$1.00
1942	2 15	2.00
1941	2.40	1.00
1940	1.21	1.00
1939	1 06	1.00
1938	0.46	1.00
1937	1 40	Nil
1936	0.04	1.00
	Plant—After	Deprec
1943	$298,887	$770,853
1942	298,075	750,675
1941	300,108	686,774
1940	351,530	615,419
1939	382,125	541,946
1938	412,702	497,147
1937	442,952	456,896
1936	439,133	404,620
	Total Assets	Working Capital
1943	$2,742,082	$1,128,223
1942	2,396,857	1,126,558
1941	1,984,105	1,114,342
1940	1,614,585	946,645
1939	1,486,605	896,910
1938	1,404,663	868,230
1937	1,478,354	879,363
1936	1,386,045	807,955

General Steel Wares

General Steel Wares Limited operates plants in Toronto, Montreal, Winnipeg, Vancouver and London, Ont., area, for the production of a wide range of metal goods, metalware, furnaces; hotel and soda fountain supplies. Warehouses and shipping depots are maintained in Vancouver, Calgary, Winnipeg, Toronto, London and Montreal.

Company has been in receipt of considerable direct war business, and in addition wartime conditions have stimulated sale of kitchen utensils and similar products, to outfit military and other government supply stations. Plant additions have been made since start of the war to permit filling of wartime contracts.

In recent years company has effected a substantial reduction in its funded by anticipating maturities on its outstanding bonds. In May of this year shareholders approved a plan to redeem the outstanding 7% preferred stock and issuance of 50,000 shares of new 5% cumulative preferred. Old preferred, in addition to carrying 7% dividend rate, participated with common stock to extent of 10% of net earnings after all charges and regular preferred dividends.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 2,282,930	$ 513,734
1942	2,863,423	598,937
1941	1,974,639	555,769
1940	1,584,205	435,518
1939	1,424,868	626,208
1938	1,073,136	321,574
1937	1,368,215	555,144
1936	1,004,827	240,471
	Per Share Common:	
	Earned	Paid
1943	$0.57	$0.50
1942	0.82	0.50
1941	0.70	0.50
1940	0.35	Nil
1939	0.90	Nil
1938	0.02	Nil
1937	1.20	Nil
1936	d0.37	Nil
	Plant—Before	Deprec
1943	$ 13,205,557	$ 7,455,650
1942	13,125,910	6,762,058
1941	13,135,129	5,954,366
1940	12,851,440	5,425,795
1939	12,785,081	5,004,930
1938	12,730,715	4,786,304
1937	12,619,489	4,558,207
1936	12,463,814	4,340,517
	Total Assets	Working Capital
1943	$ 19,977,108	$ 4,823,142
1942	20,016,989	4,697,207
1941	19,691,015	4,473,617
1940	19,312,439	4,383,400
1939	18,510,219	4,240,597
1938	17,976,540	3,952,004
1937	18,851,734	3,715,854
1936	16,815,659	3,366,654

Hamilton Bridge Co., Ltd.

Hamilton Bridge Co. Ltd., operates a plant in Hamilton, Ontario, and through a wholly owned subsidiary, another in Vancouver. Company produces structural steel and also engages in the erection of bridges towers, steel frames for buildings, etc.

This company's operations have been expanded due directly or indirectly to war business. Direct orders have been received from the government, and in addition company's activities have been stimulated by the construction program involved in the war production effort. Prior to the war the company had been operating each year at a loss, but substantial profits have been shown since. Extensive changes have been made at both Hamilton and Vancouver plants, and new equipment installed, to take care of war business.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 751,774	$ 97,959
1942	1,642,035	188,754
1941	813,062	195,037
1940	451,325	164,360
1939	10,652	d82,744
1938	62,101	d82,089
1937	27,161	d10,956
1936	96,920	74,411
	Per Share Common:	
	Earned	Paid
1943	$0.40	Nil
1942	0.77	Nil
1941	0.80	Nil
1940	0.67	Nil
1939	d0.34	Nil
1938	d0.34	Nil
1937	d0.04	Nil
1936	0.30	Nil
	Plant—After	Deprec.
1943	$ 1,165,296	$ 766,978
1942	1,852,939	1,087,416

(Continued on page 19)

THE RIGHT ARM OF INDUSTRY

AIR in Action—Compressed Air—is the Strong Right Arm of many industries.

Glass and radio factories, textile and paper mills, oil refineries, rubber and chemical works and food manufacturers depend on Compressed Air at every step—from processing raw materials to packing the finished product.

In mines and collieries, steel mills, foundries, tank and gun plants, aircraft and automotive factories, shipyards and railway shops Compressed Air helps men and women to improve their skill and increase production.

Safe, flexible and easily controlled, Compressed Air is an essential source of power in the production of explosives, shell manufacturing and shell-filling.

Building Air Compressors and Air Tools for the ever-widening needs of Industry is the duty of many Canadian Ingersoll-Rand Employees. Other employees build Air, Steam and Centrifugal Pumps; Rock Drills, Steam Condensers; Mine Hoists; Paper Mill Machinery and a wide variety of high priority war equipment.

44-P-47

Canadian Ingersoll-Rand Co. Limited
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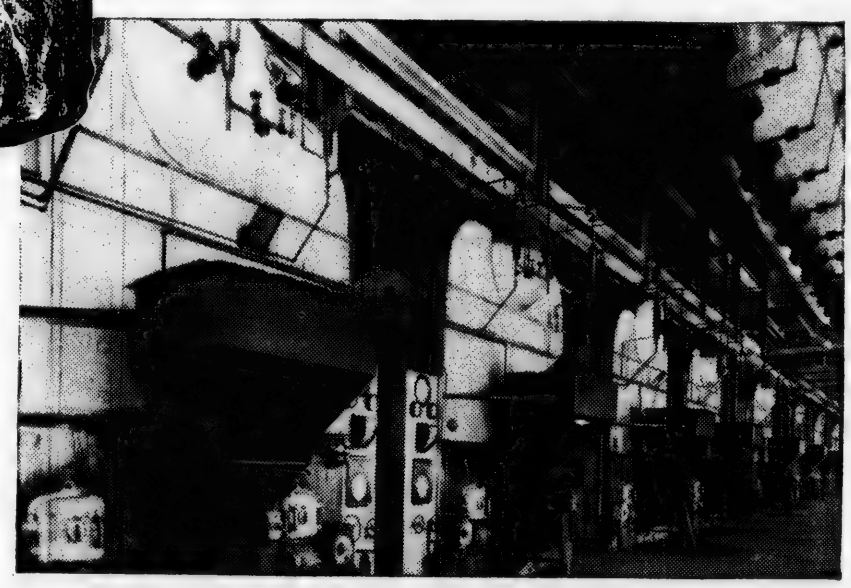
Power for Industry
in the Post War Struggle

When victory is won . . . when Canadian industry rolls up its sleeves to build a new and better world, Vickers will be ready to supply the most up-to-date types of Boilers for new steamplants and to modernize old ones.

Below is shown part of one very large installation of Vickers-Keeler Boilers capable of supplying 375,000 pounds of steam every hour in an important Canadian munitions plant. Many of Canada's vital warplants were driven, by Vickers-Keeler Boilers, as well as an impressive list of other Canadian companies.

Decide, NOW, to wake up your steamplant for POST-WAR efficiency! Investigate the high efficiency and low operating cost of Vickers-Keeler Boilers designed for your needs. They substantially reduce unseen losses and increase your steamplant efficiency.

Ask your Consulting Engineer to check over your present equipment and give a report on its efficiency, together with recommendations for alterations or installations. He will give you the engineering data necessary for a sound decision. Vickers will gladly co-operate.



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SHEET METAL WORK
SHIPS OF ALL TYPES

CANADIAN VICKERS LIMITED
HEAD OFFICE — MONTREAL
WINNIPEG EDMONTON VANCOUVER
NEW GLASGOW DRUMHELLER

Canadian-Made Steel Plays Major War-Time Role

(Continued from page 18)

1941	2,255,043	369,651
1940	1,928,161	183,300
1939	2,188,722	.....
1938	3,527,974	.....
1937	3,622,415	.....
1936	3,753,015	.....
	Total Assets	Working Capital
1943	$ 6,170,230	$ 1,686,071
1942	8,214,113	1,132,967
1941	5,040,665	559,586
1940	3,800,581	633,033
1939	3,432,678	319,931
1938	4,382,135	351,050
1937	4,999,574	426,195
1936	4,287,693	317,108

Hayes Steel Products Ltd.

Hayes Steel Products Limited, operates a plant in Merriton, Ontario, for output of alloy and carbon steels, forgings and machine shop products.

Direct orders for armaments have been placed with company by federal government and war conditions are contributing in substantial degree to increased business from other sources.

The company has found it necessary to expand plant facilities to take care of war requirements. A substantial part of company's production now goes directly or indirectly to war purposes.

Years ended July 31	Gross Earnings	Net Earnings
1943	$ 2,817,783	$ 112,888
1942	2,056,076	388,027
1941	1,752,042	815,689
x1940	816,143	93,911
Dec. 31		
1939	308,968	155,736
1938	214,702	80,215
1937	232,611	76,486

x—7 months.

	Per Share Earned	Common: Paid
1943	$1.25	Nil
1942	4.31	Nil
1941	3.51	Nil
1940	1.11	Nil
1939	x5.85	Nil
1938	x2.77	Nil
1937	x2.62	Nil

x—Before 3 for 1 split-up.

	Plant—After	Deprec.
1943	$ 379,847	$ 2,700,888
1942	647,194	2,174,300
1941	630,011	1,521,467
1940	691,187	1,035,756
1939	562,636	1,100,106
1938	472,162	1,027,150
1937	506,077	1,193,450
	Total Assets	Working Capital
1943	$ 5,387,261	$ 1,444,421
1942	4,008,724	1,080,422
1941	3,171,692	797,233
1940	1,677,309	437,700
1939	1,273,497	457,761
1938	1,221,319	522,970
1937	1,135,728	387,277

Massey-Harris Co., Ltd.

One of the first of Canada's large manufacturing industries to make munitions of any kind in this war, the Massey-Harris Company, Limited, is due to the nature of its peacetime production activities, rendering a unique and especially valuable contribution to our wartime armament program. Long experience in manufacturing a wide variety of tractors, implements and farm machinery has given management, supervisory personnel, and workers a specialized knowledge in planning and executing quickly and efficiently production of many different items on a large scale.

Thus the company has been able to undertake, with marked success, important contracts for the making of shells of three different calibres, radio vans, gun portees, gun mounts, two kinds of airplane wings and spars, tank track parts, radio locators, steel cargo bodies, light anti-aircraft bodies, personnel carriers cable reels and racks and metal fittings for aircraft wings. Complete tanks are made by the United States organization of the company.

As well as utilizing to the fullest the extensive manufacturing capacities of its own plants the company has taken full advantage of the surplus of existing manufacturing facilities in numerous smaller industrial concerns throughout Ontario and in Wisconsin, U.S.A. to place sub-contracts in large volume thus obtaining substantial production with small expenditure of governmental money, and at the same time incorporating into the country's armament program many smaller industries which for one reason or another had become wartime casualties.

Recognition has been given in the form of high priority ratings for raw materials, to the needs of agriculture, to meet its large production of vital foodstuffs for Canada and the Allied Nations. Nevertheless the shortage of steel and other critical raw materials has been such that the production of agricultural implements, although maintained on a relatively high level since the beginning of the war, has been progressively limited until recently. More steel is now being allocated for production of farm machines.

Massey-Harris Co. Limited, old established and powerful Canadian producer of agricultural machinery operates plants in Toronto, Brantford (2), Weston and Woodstock, Ontario, Buffalo, N.Y., and Racine, Wisconsin. Has plants in Marquette, France, and Westhaven, Germany, which are now in enemy hands. Prior to the war ,in addition to doing an active business in Canada for its products a widespread system of branches in the United States, Central and South America, Great Britain, Continental Europe and other Empire countries was maintained and a large scale export business was transacted.

Years ended Nov. 30	Gross Earnings	Net Earnings
1943	$ 8,927,346	$ 1,322,356
1942	8,203,920	1,564,027
1941	4,759,070	1,125,118
1940	3,132,158	805,563
1939	2,471,390	705,337
1938	3,504,924	1,065,638
1937	3,044,267	1,193,727
1936	2,331,736	d58,413
	Per Share Earned	Common: Paid
1943	$0.98	Nil
1942	1.31	Nil
1941	0.71	Nil
1940	0.27	Nil
1939	0.12	Nil
1938	0.62	Nil
1937	0.80	Nil
1936	d0.91	Nil
	Plant—After	Deprec.
1943	$ 3,983,005	$ 11,333,661
1942	4,827,065	10,304,892
1941	4,081,785	9,291,518
1940	3,992,011	8,976,047
1939	4,436,801	9,316,204
1938	4,475,726	9,346,279
1937	4,897,467	9,019,893
1936	5,058,314	8,720,571
	Total Assets	Working Capital
1943	$ 41,380,720	$ 26,339,529
1942	40,759,243	24,346,254
1941	37,748,723	23,725,512
1940	35,205,793	22,957,538
1939	35,135,553	23,532,823
1938	34,471,597	20,920,603
1937	85,180,958	20,944,176
1936	31,179,262	19,459,677

National Steel Car Corp.

National Steel Car Corp. Limited, operates plants at Hamilton and Malton, Ontario. Plant at the latter location was established recently for the production of aircraft. Peacetime production of the Hamilton plant comprised railway cars, road-building equipment, automobile part, forgings, etc.

Since before the war company has been engaged in the production of shells, productive facilities for which have been expanded on several occasions. In addition to producing several types of shells, company also manufactures bodies for army trucks. A plant erected at Malton for production of aircraft recently was sold to the government for approximately $4,000,000. Company is one of the organizations which participated in the establishment of Canadian Associated Aircraft Co. Limited.

Current and postwar needs of both Canadian railroads, as well as the replacement demands from the war-shattered transportation systems of Europe and Asia, will, it is forecast, keep the company's car building facilities working at capacity for some time to come.

Years ended June 30	Gross Earnings	Net Earnings
1944	$3,180,444	$ 788,627
1943	3,425,821	818,973
1942	4,871,587	1,182,688
1941	3,645,073	1,061,844
1940	1,957,045	463,460
1939	1,082,956	630,106
1938	1,681,498	1,208,396
1937	374,450	168,494
1936	426,549	11,835
	Per Share: Earned	Paid
1944	$1.12(a)	$1.00
1943	4.67	3.50
1942	6.73	2.00
1941	6.05	2.00
1940	2.64	2.00
1939	3.60	2.00
1938	9.26	2.00
1937	1.30	Nil
1936	0.09	Nil
	Plant—Before	Deprec.
1944	$8,361,839	$5,862,532
1943	8,328,102	5,629,709
1942	12,960,284	7,449,052
1941	10,230,733	5,093,809
1940	8,623,558	3,954,825
1939	7,640,497	3,036,108
1938	6,656,759	2,884,567
1937	6,135,977	2,772,054
1936	6,110,183	2,660,655
	Total Assets	Working Capital
1944	$21,371,047	$7,448,863
1943	18,117,104	7,113,565
1942	23,304,711	3,386,865
1941	18,313,736	2,950,540
1940	14,031,985	2,706,790
1939	11,769,082	2,765,483
1938	10,286,552	1,779,976
1937	8,539,102	1,243,251
1936	7,214,060	995,094

(a) Stock split 4 for 1 during year.

Ontario Steel Products

Ontario Steel Products Co. Limited, operates plants at Gananoque, Oshawa and Chatham, Ontario. Products, in peace-time, comprised auto and truck chassis, springs and bumpers, iron and brass castings, stampings. Chemicals and extruded plastics are now being produced.

Plants have been fully engaged at capacity. Company has made extensive capital outlays in expanding plant facilities.

Years ended June 30	Gross Earnings	Net Earnings
1944	$ 861,261	$ 88,582
1943	709,384	57,793
1942	533,414	146,323
1941	539,626	143,353
1940	219,030	105,640
1939	122,807	62,008
1938	151,847	31,519
1937	173,848	101,881
1936	163,274	59,800
	Per Share Earned	Common: Paid
1944	$1.31	$1.25
1943	1.29	1.25
1942	2.50	1.25
1941	2.44	1.25
1940	1.66	0.75
1939	0.76	0.60
1938	1.37	0.50
1937	1.65	Nil
1936	0.67	Nil
	Plant—After	Deprec.
1944	$ 1,142,756	$ 445,856
1943	1,150,097	366,330
1942	1,214,017	221,730
1941	1,193,210	97,246
1940	1,156,195	67,460
1939	1,167,109	x
1938	785,656	824,537
1937	1,507,729	795,538
1936	1,404,889	770,538

x—Reappraised.

	Total Assets	Working Capital
1944	$ 2,661,305	$ 690,719
1943	2,995,932	708,196
1942	2,603,753	523,210
1941	2,355,267	524,694
1940	1,819,649	392,988
1939	1,665,081	334,159
1938	1,629,346	403,686
1937	2,486,954	482,703
1936	2,334,863	430,725

Ottawa Car & Aircraft

Ottawa Car and Aircraft Limited, operates a plant in Ottawa, peacetime production of which comprised street cars and buses and parts for steam railway equipment. Present name was assumed towards end of 1939 when company acquired facilities for aircraft production and the Canadian rights to Avro Anson war plane.

Company's operations have been interrupted from time to time by necessity of change to different type of aircraft work, but the company now has substantial orders on its books, and is largely engaged in government work.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 276,657	$ 71,643
1942	335,853	103,861
1941	272,310	58,533
1940	250,955	50,024
1939	149,744	78,881
1938	104,170	61,196
1937	100,525	60,734
	Per Share: Earned	Paid
1943	$0.80	Nil
1942	1.15	Nil
1941	0.50	0.40
1940	0.55	0.40
1939	1.34	0.80
1938	x1.09	x6.00
1937	x1.02	Nil

x—After considering 5 to 1 split.

	Plant—After	Deprec.
1943	$ 374,362	$ 1,163,676
1942	465,263	1,072,193
1941	525,390	900,917
1940	591,131	725,204
1939	451,847	579,516
1938	411,917	508,520
1937	409,595	613,529
	Total Assets	Working Capital
1943	$ 2,210,347	$ 843,244
1942	2,138,680	551,468
1941	1,594,795	251,926
1940	2,541,705	37,231
1939	1,209,845	45,274
1938	1,053,169	274,400
1937	802,309	259,541

Page Hersey Tubes Ltd.

Page-Hersey Tubes Ltd., with plants in Guelph and Crowland (near Welland), Ontario and Cohoes, New York, produces steel and wrought iron pipes and tubes used in piping oil and gas, steel conduits and coupling for electric wiring, coils for heating apparatus, and other kindreds.

Products of the company have been in considerably more acute demand as a result of effects of war on industrial and construction operations throughout the country. In addition, company has been called upon to provide boiler tubes for the extensive shipbuilding program of the federal government. All plants have been working at capacity.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$1,339,181	$ 895,705
1942	2,421,811	943,360
1941	3,359,463	917,427
1940	1,958,383	942,051
1939	1,632,506	1,126,514
1938	891,768	736,952
1937	1,349,293	1,033,280
1936	961,010	741,609
	Per Share: Earned	Paid
1943	$5.14	$5.00
1942	5.41	5.00
1941	5.27	5.00
1940	5.41	5.00
1939	6.46	4.50
1938	4.23	4.00
1937	5.98	4.25
1936	4.25	3.25
	Plant—Before	Deprec.
1943	$7,301,081	$4,632,691
1942	7,058,485	4,478,208
1941	6,504,026	3,914,378
1940	6,235,757	3,267,027
1939	5,878,501	2,704,607
1938	5,192,815	2,470,754
1937	5,059,412	2,276,690
1936	4,838,832	2,018,854
	Total Assets	Working Capital
1943	$17,741,502	$8,038,769
1942	17,401,499	8,106,260
1941	17,399,765	7,009,242
1940	15,238,415	6,636,488
1939	15,002,370	6,455,132
1938	12,757,032	6,442,826
1937	12,593,280	6,336,458
1936	11,928,184	6,017,404

Robert Mitchell Co., Ltd.

The Robert Mitchell Co. Limited, operates plants in Montreal and St. Laurent, Quebec, for the manufacture of hammered and wrought iron work, railway fittings—including air conditioning systems, monel metal sinks (the latter in collaboration with International Nickel) and other metal products. A subsidiary, the Garth Co. specializes in contract plumbing, heating and ventilation work and fire protection supplies.

Company has added materially to its plant and equipment in order to take care of a growing volume of munitions business from the government. Production of cartridge cases for 25-pounder shells has been stepped up rapidly.

The company has become the sole producer in Canada of tracks for the M-28 tanks. The company has produced more than half the brass cartridge cases made in this country.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 3,527,452	$ 94,635
1942	3,372,006	344,642
1941	2,281,600	364,610
1940	492,971	148,067
1939	5,561	d23,183
1938	117,465	38,203
1937	150,034	74,577
1936	64,025	d15,677
	Per Share: Earned	Paid
1943	$1.31	$2.00
1942	4.76	2.00
1941	5.31	1.50
1940	2.04	0.50
1939	d0.32	Nil
1938	0.53	Nil
1937	1.03	Nil
1936	d0.22	Nil
	Plant—After	Deprec.
1943	$ 490,368	$ 1,426,252
1942	663,236	1,253,063
1941	936,193	653,068
1940	735,606	403,068
1939	817,259	309,468
1938	799,846	309,468
1937	817,388	269,468
1936	857,572	227,468
	Total Assets	Working Capital
1943	$ 8,064,341	$ 1,215,338
1942	7,602,635	1,103,664
1941	5,785,229	631,251
1940	2,905,572	563,704
1939	1,275,286	367,871
1938	1,283,724	411,129
1937	1,290,334	355,406
1936	1,156,243	222,666

d—Deficit.

Russell Industries Ltd.

Russell Industries Ltd., is a leading company which controls through stock ownership, Canada Cycle & Motor Co., Ltd., with plant at Weston, and Canadian Acme Screw Gear Ltd., with plant in Toronto.

Both subsidiary companies, in addition to enjoying a considerable increase in business from regular channels due to war-time activity, have also been directly engaged in government war work.

Both subsidiaries have found it necessary to expand production facilities in order to take care of war orders.

Years ended Dec. 31	Net Earnings
1943	$487,202
1942	146,928
1941	147,819
1940	163,538
1939	154,467
1938	265,170
1937	133,282
1936	151,566
	Per Share Earned
1943	$4.09
1942	1.03
1941	1.04
1940	1.23
1939	x1.10
1938	x2.43
1937	x0.61
1936	x0.84

Common: Paid
$0.80
0.80
0.80
0.80
x0.80
x0.70
x0.60
x0.15

x — On basis of subsequent 10 for 1 split.

	Invest.—Before	Reserve
1943	$2,723,845	.....
1942	1,624,172	434,856
1941	1,588,314	401,342
1940	1,499,962	457,000
1939	1,499,962	500,000
1938	2,469,162	556,407
1937	2,469,162	556,407
1936	2,469,162	556,407

Sarnia Bridge Co. Ltd.

Sarnia Bridge Co. Ltd., has an annual productive capacity of 12,000 tons of structural steel at its Sarnia, Ont., plant. Its operations include the fabrication and erection of structural steel for bridges, tanks, steel frames for buildings, etc.

The company's volume has doubled and redoubled since the beginning of the war, and operations have been greatly speeded up to meet the needs of wartime production.

Years ending Dec. 31	Gross Earnings	Net Earnings
1943	$193,123	$11,652
1942	128,750	32,565
1941	125,230	24,222
1940	43,658	14,179
1939	30,207	3,518
1938	47,555	9,222
1937	56,455	19,516
1936	39,802	4,630
	Per Share Class "A"	
• 1943	$0.28	$0.65
1942	2.71	Nil
1941	2.02	Nil
1940	1.19	Nil
1939	0.29	Nil
1938	0.76	Nil
1937	1.63	Nil
1936	0.39	Nil

• New common

	Plant—After	Deprec.
1943	$255,668	$202,448
1942	256,209	180,165
1941	200,370	205,062
1940	254,691	191,134
1939	288,730	184,110
1938	250,219	189,414
1937	291,168	172,106
1936	291,053	155,059
	Total Assets	Working Capital
1943	$662,056	$213,466
1942	742,503	222,782
1941	637,554	170,864
1940	582,514	151,363
1939	461,163	33,912
1938	655,747	127,437
1937	787,657	107,136
1936	667,134	72,365

Steel Co. of Canada

The Steel Co. of Canada Ltd., operating plants at Hamilton (3), Montreal, Lachine, Toronto, Brantford, Gananoque and London, is a self-contained organization, producing a variety of iron and steel products. The company has a direct interest in its suppliers of coal, iron and ore, and operates its own ore and coal docks at Hamilton.

Wide additions to plant have been made in recent years, including a tin plate mill and 100" plate mill at Hamilton, also alterations and additions to the steel mill. A subsidiary company operates a new plant producing shell forgings for the federal government. Extensions and improvements have been made as well to other company mills.

Rising costs of production and ceiling prices have tended to curtail profits for the current year, and manpower shortage has hampered finishing operations; however output of steel ingots for the first six months of 1944 was 5.8 per cent over the same period of 1943. Despite capacity production and outside steel purchases, it was found impossible to keep the finishing mills at capacity; the company therefore provided for the construction of an electric furnace and Bessemer converter to add 250,000 N.T. annually to ingot capacity.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$14,400,658	$4,176,925
1942	17,985,372	4,805,938
1941	12,919,520	4,439,732
1940	9,398,996	4,264,384
1939	8,846,460	4,686,680
1938	5,319,506	3,053,726
1937	6,854,471	4,180,097
1936	4,896,604	2,856,653
	• Per Share Common: Earned	Paid
1943	$5.80	$3.00
1942	6.68	3.00
1941	6.17	4.68¾
1940	5.92	3.75
1939	6.51	3.75
1938	4.24	3.75
1937	5.82	3.75
1936	4.01	3.17½
	Plant—Before	Deprec.
1943	$63,983,679	$40,395,264
1942	63,100,501	36,466,352
1941	61,019,698	34,775,537
1940	54,079,528	29,840,814
1939	49,746,845	28,305,047
1938	49,040,931	27,902,836
1937	46,766,104	25,376,512
1936	41,434,463	24,268,700
	Total Assets	Working Capital
1943	$103,247,735	$25,799,626
1942	98,990,637	19,928,595
1941	90,518,007	17,771,471
1940	79,849,990	15,165,807
1939	78,042,782	15,602,097
1938	72,639,399	14,464,540
1937	71,248,904	14,720,023
1936	67,456,616	17,599,005

• On combined preferred and common

United Steel Corp'n

United Steel Corporation Ltd., with plants in Welland, Toronto, Montreal and Port Robinson, manufactures a wide range of foundry and machine shop products. The Standard Steel Construction Co. Ltd., an almost entirely owned subsidiary, produces and erects structural steel.

As in other Canadian iron and steel companies, capacity, or near capacity, production has been the rule, the result of business arising from war contracts and general wartime industrial activity.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$1,355,411	$150,648
1942	2,079,489	704,403
1941	1,728,990	498,338
1940	654,412	575,409
1939	233,207	113,125
1938	200,881	78,405
1937	288,981	98,601
1936	237,269	43,817
	Per Share Common: Earned	Paid
1943	$0.25	$0.15
1942	0.58	Nil
1941	0.99	Nil
1940	1.15	Nil
1939	0.17	Nil
1938	0.14	Nil
1937	0.20	Nil
1936	0.06	Nil
	Property—Before	Deprec.
1943	$3,784,458	$1,132,072
1942	3,408,205	877,372
1941	2,928,349	411,965
1940	1,831,638	161,641
1939	2,332,390	471,389
1938	2,230,973	443,907
1937	1,281,442	416,705
1936	2,269,181	350,549
	Total Assets	Working Capital
1943	$7,895,020	$1,666,935
1942	9,506,691	1,293,500
1941	6,704,936	1,540,084
1940	4,273,374	474,442
1939	4,176,334	1,054,219
1938	3,956,225	1,040,716
1937	4,074,362	1,012,564
1936	5,758,915	918,723

APPARATUS AND MACHINERY

Amalgamated Electric

Amalgamated Electric Corp., Ltd., manufactures a broad line of electrical equipment and supplies and operates plants and warehouses at Toronto, Montreal, Winnipeg, Calgary and Vancouver.

Sales of company have expanded widely since the war began as result of demand for its products both directly for war projects and indirectly due to industrial and business expansion arising from the war.

Subsidiary companies of Amalgamated Electric comprise Benjamin Electric Manufacturing Company of Canada, Ltd., Bulldog Electric Products of Canada, Ltd., Canadian Cutler-Hammer Ltd., Langley Electrical Manufacturing Co., Ltd., Langley Electrical Co., Ltd., and Langley Manufacturing Co., Ltd.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$506,153	$54,186
1942	559,532	108,429
1941	412,108	105,529
1940	228,609	79,800
1939	127,801	56,515
1938	117,291	44,416
1937	128,046	51,733
1936	58,555	d5,666

d—Deficit

	Per Share Earned	Common: Paid
1943	$1.00	$0.60
1942	1.28	0.55
1941	1.25	0.50
1940	0.94	0.25
1939	0.67	Nil
1938	0.53	Nil
1937	0.61	Nil
1936	d0.07	Nil

	Plant—Before	Deprec.
1943	$1,232,415	$916,066
1942	1,176,902	780,765
1941	1,018,887	555,213
1940	799,413	399,922
1939	744,941	332,897
1938	696,996	311,907
1937	743,798	332,128
1936	854,096	344,389
	Total Assets	Working Capital
1943	$2,048,287	$933,125
1942	2,973,606	821,980
1941	2,145,683	692,470
1940	1,738,509	693,790
1939	1,466,893	624,772
1938	1,403,512	623,364
1937	1,383,327	537,575
1936	1,425,827	496,841

Beatty Bros. Limited

Beatty Bros. Ltd. and subsidiary, Canadian Die Casters, operates plants at Fergus and Galt, Ontario, and a foundry at London, Ontario. Products comprise electric and other washers, vacuum cleaners, blowers, electric floor polishers, ironing machines, laundry equipment, step and extension ladders, overhead trackage, and industrial conveyors, water pressure systems, cisterns, and well pumps, pump jacks, windmills, and a variety of barn and stable equipment. Also produces pressure die castings and permanent mould castings. Branches and stores are maintained throughout Canada and sales branches in London, Manchester, Glasgow, Wellington, N.Z., and Sydney, N.S.W.

Operating profit and net earnings both show a decrease due to government wartime restrictions, which have seriously curtailed the company's regular production. Increased war material production has partially offset this loss.

Years ended Aug. 31	Gross Earnings	Net Earnings
1943	$1,643,395	$550,491
1942	2,145,038	705,050
1941	1,045,263	328,133
1940	626,332	265,275
1939	296,917	125,021
1938	380,020	186,469
1937	533,736	331,129
1936	319,498	169,115
	Per Share Class "A" Earned	Paid
1943	$5.04	$0.75
1942	14.33	Nil
1941	5.77	Nil
1940	4.12	Nil
	Plant—Before	Deprec.
1943	$1,947,544	$1,429,226
1942	1,957,099	1,413,706
1941	1,926,264	1,338,139
1940	1,947,685	1,225,490
1939	1,977,381	1,168,350
1938	1,930,087	1,098,445
1937	1,867,742	1,031,452
1936	1,757,066	974,556
	Total Assets	Working Capital
1943	$5,800,609	$5,099,429
1942	9,943,812	5,527,921
1941	8,030,477	5,016,778
1940	7,974,419	4,876,556
1939	8,241,324	4,417,983
1938	9,312,808	4,863,788
1937	9,416,949	4,270,398
1936	8,297,912	4,116,021

Can Fairbanks-Morse

The Canadian Fairbanks-Morse Co., Ltd., through a wholly-owned subsidiary, E. & T. Fairbanks & Co., Ltd., operates a plant in Sherbrooke, Que., for manufacture of scales, valves, oil-burners, warehouse trucks, etc. Also acts as Canadian distributor for pumps, scales, valves, oil-burners, mill supplies, etc.

Business of company during past 4 years has been benefitting both from a substantial volume of direct sales to the government under its war-buying program and from active demand from the trade due to general industrial and business activity arising from war conditions.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$2,430,514	$234,810
1942	1,962,884	350,844
1941	2,030,605	465,522
1940	915,069	196,617
1939	273,923	153,651
1938	256,940	144,905
1937	401,271	260,457
1936	199,667	103,730
	Per Share Common: Earned	Paid
1943	$2.09	$1.50
1942	3.54	2.25
1941	4.98	1.50
1940	1.62	1.25
1939	0.68	.50
1938	0.94	1.00
1937	2.38	Nil
1936	0.41	Nil
	Plant—Before	Deprec.
1943	$1,583,233	$642,024
1942	1,500,409	600,400
1941	1,494,048	578,344
1940	1,065,095	401,192
1939	1,061,349	366,644
1938	1,059,248	346,642
1937	1,324,237	501,671
1936	1,317,805	436,854
	Total Assets	Working Capital
1943	$8,353,135	$3,652,657
1942	7,968,065	3,636,195
1941	7,866,229	3,367,519
1940	6,317,059	2,880,286
1939	3,771,085	2,850,137
1938	4,657,225	2,832,622
1937	4,949,398	2,750,126
1936	4,655,277	2,553,803

Can. Gen. Electric Co.

Canadian General Electric Co., Ltd., largest producer of electrical equipment in the Dominion, operates directly, or through wholly-owned subsidiaries, 5 plants in Toronto, 1 in Peterboro, Ont., and 1 in Lachine, Que. Products comprise a wide range of electrical equipment, supplies, and apparatus. Branch offices and warehouses are owned and operated in 24 Canadian cities.

Through its association with General Electric Co., of New York, company has advantage of the wonderful laboratory developments of that world-famous organization.

Due to wide diversity of G.E. products, operations of company reflect keenly the trend of general business and industrial conditions in the Dominion, and results for past 4 years have reflected this fact. Direct or indirect purchase of electrical equipment, supplies and implements, for war purposes have also been a factor of considerable importance.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$8,048,238	$2,009,302
1942	10,170,352	2,827,451
1941	10,012,160	2,479,553
1940	5,370,598	2,305,019
1939	2,748,039	2,150,026
1938	2,305,951	1,883,551
1937	3,388,773	2,401,835
1936	2,341,931	1,767,761
	Per Share Common: Earned	Paid
1943	$10.03	$8.00
1942	11.71	8.00
1941	12.57	8.00
1940	11.79	8.00
1939	10.58	6.00
1938	9.38	6.00
1937	12.29	6.00
1936	8.96	5.00
	Plant—After	Deprec.
1943	$6,345,931	$13,309,455
1942	8,566,514	11,807,714
1941	8,961,577	10,374,331
1940	7,876,534	9,502,114
1939	7,753,253	8,861,233
1938	8,200,301	8,360,045
1937	8,486,820	7,843,194
1936	8,469,658	7,430,519
	Total Assets	Working Capital
1943	$42,753,073	$20,539,335
1942	39,205,152	18,695,983
1941	41,381,306	17,197,801
1940	34,675,523	16,126,606
1939	29,300,348	15,235,734
1938	27,833,483	13,694,856
1937	28,253,988	13,197,505
1936	25,791,658	11,624,730

Canadian Marconi Co.

Canadian Marconi Co. operates a plant in Montreal for the production of radio, radiotelegram and radio-telephone transmitters; receivers for marine, land and aircraft use, radio direction finding equipment, Marconi radio receiving sets; and R.V.C. radiotrons. Operates radio telegraph stations in Newfoundland, Eastern Canada and the Great Lakes and two beam stations in province of Quebec used for transoceanic radio telegraph and radio-telephone business. Operates in conjunction with the British Post Office and the Bell Telephone Co., a direct transatlantic telephone service.

Not only have war conditions been a factor in the transatlantic telegraph and telephone business but company's plant has been kept busy in recent years on direct government orders and business from other sources for use in war production.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$7,492,294	$1,440,615
1942	7,864,781	1,527,720

Armaments And Munitions Not Only War Supply Jobs

Textile Mills, Clothing and Shoe Manufacturers, Meat Packers and Dairy Companies Have Been Playing Major Role in Production Battle — General Purchases on War Account Valued at Over $3 Billion

FEW PEOPLE think of textile mills, cotton, woollen and rayon; clothing and shirt factories; knitting mills; shoe factories; packing and canning plants; bakeries and dairy plants in the light of war producers. On account of the tremendous demand for supplies of all kinds for the commissariats of the armed services — army, navy and air force — the facilities of these industries and a host of others have been sorely taxed since the beginning of the war. Even chocolate and confectionery manufacturers have been called upon to play their part in the production battle in order to fulfil the requirements for service canteens in Canada and overseas.

Cotton textile mills at one stage were diverting as much as 80 per cent of their production to war requirements, with civilian needs suffering accordingly. The same was true to a greater or lesser extent of woollen and knitting mills, clothing factories and shoe factories.

Meat packers had to meet the demands on their output for requirements of the services and in addition, had to fulfil big contracts with the British Purchasing Board for the huge requirements of bacon hogs and other meat of the United Kingdom. Dairy companies also had to meet widely increased domestic requirements of butter, eggs and cheese, as well as supplying as much as possible to the British Purchasing Board.

This aspect of the war effort was carried on under the auspices of the General Purchasing Branch, the oldest and one of the most important branches of the Department of Munitions and Supply. In the awarding of more than 700,000 seperate contracts, the organization has spent more than three billion dollars, since the war began.

The branch, comprising 13 divisions, is responsibe for almost everything required by the forces other than actual weapons of destruction or defence. It buys a vast assortment of goods in astronomical volume, running the gamut from salt to steam engines, from tea to trip hammers, from pins to pine trees.

To achieve the volume required and to obtain the highly specialized items needed not only by our own armed forces, but by our Allies, the General Purchasing Branch has utilized to the full the resources of thousands of Canadian factories, large and small, and has brought about a great expansion of productive facilities. The true measure of this purchasing program will be reflected in the post-war period.

First Purchasing Agencies

General Purchasing is the veteran among the many branches of the Department of Munitions and Supply. It came into being on July 14, 1939, as the Defence Purchasing Board and functioned as such until November 1, 1939, when it became the War Supply Board. It was made a branch of the Department when the latter was formed on April 9, 1940.

The initial mobilization of the armed forces created an urgent need for uniforms and personal equipment for the thousands of men who thronged to the colors. This was the first task of the newly created purchasing branch.

War had come so suddenly and unexpectedly that no adequate sources existed. Few textile manufacturers were ready to promise immediate deliveries of great quantities of serge for uniforms and greatcoats, and those who could undertake rush production had had little or no experience in making army cloths. Nevertheless, orders were placed and production begun, but for the first few months the results were far from satifactory. Khaki was delivered to the garment factories in as many as ten shades, and there was a marked variation in quality. Time and experience remedied the situation, however, and by December, 1939, deliveries of battledress had climbed to 1,000 uniforms daily. The output increased steadily until the peak was reached in 1943, when Canadian factories were able to turn out up to 55,000 battledress and 20,000 greatcoats a week.

Uniforms and greatcoats were merely the beginning. Winter was coming on when the First Division was being readied for departure and underwear was a necessity. Three or four knitting mills went into all-out production and the First Division left on time with enough knit goods to go around, and to spare.

Purchasing agents scoured the country for socks, shirts, caps, cutlery, cooking utensils, shaving kits, medical supplies, garbage cans, and possibly 10,000 other items. Pressed by the swiftly approaching sailing date for the First Division, harassed by equally worried military men, at their wits' end to discover sources and to speed deliveries, the staff of General Purchasing bent every effort to meet the stream of requisitions which poured in from Defence headquarters.

Orders were placed by long distance telephone and telegraph because every second counted. Supplies were snatched up from factories, wholesalers, even retailers. Manufacturers were spurred and encouraged into fast action. Thousands of boxes and packages were sped to Halifax by express some by airplane, and when the First Division convoy set sail one frosty dawn late in 1939, virtually every item of urgently needed equipment went along with the troops.

Clothing and Textiles

The need of the armed forces for clothing pre-dominated for many months. By midwinter of 1939-40, deliveries of battledress, greatcoats, and other essentials were beginning to flow smoothly, and the Purchasing Branch began to look ahead. Every effort was made to forecast the needs of the forces and to prepare for them, but it was well into 1940 before the military authorities decided definitely upon the type of summer dress to be issued to the men. The delay placed terrific pressure upon the manufacturers and it was necessary for the Department to assign men in the field to iron out kinks in production and to expedite deliveries.

The capitulation of France in June, 1940, brought added complications. Canadian military requirements were doubled almost overnight. Requisitions were received for 25,000 battledress and 20,000 greatcoats a week to equip 160,000 men. By September, most factories had attained the required schedules. The blanket mills were rolling at top capacity. The output of underwear had mounted to 30,000 units weekly. Shoe firms were delivering 30,000 to 35,000 pairs of boots each week.

The Commonwealth Air Training Plan began to get into full stride early in 1941, with consequent heavy requests for many articles which had not been purchased previously, such as flying suits, gloves, special boots.

First purchases were made, also, of uniforms for internees and prisoners of war, and clothing was needed for war refugees. The cloth ing for internees and prisoners was made in strict accordance with the regulations laid down by the Geneva conference. Both summer and winter garments were distinctive because of a large red circle sewn into the back of the jacket, and a three inch red stripe on the trousers.

The branch was given some intimation late in 1941 that the Army would require a walking-out uniform for off-duty wear, but the actual requisitions were not received until the following spring. Again it was necessary to assign field men to aid manufacturers in getting production underway and in maintaining the flow of deliveries. The Army also asked for such accessories as shoes, neckties, dress socks, and shirts, all of which had to be obtained quickly as summer was approaching and the men had been advised that walking-out uniforms would be issued.

Women's Division

The need for uniforms and equipment for the women's divisions of the services developed in the autumn of 1941, and the branch had to seek new sources. Many difficulties were encountered, particularly in stockings, and the services had to be satisfied for the time being with hosiery of any type available in any shade of khaki.

The closing months of 1941, and the early part of 1942, saw huge increases in clothing needs of the Air Force and Navy, because of heavy enlisments and expansion, but manufacturers co-operated to meet the situation and adequate stocks were built up and maintained.

The volume and variety of the business handled reached such proportions by the spring of 1942 that it was considered advisable to split the Clothing Division into two units, one to look after uniforms and textiles, the other to purchase clothing and anti-gas equipment.

The seizure of Far Eastern rubber sources by the Japanese compelled the services to accept raincoats and rubberized fabrics made from substitutes. A series of experiments was conducted and every known substitute was tested. Finally, orders were given for 1.2 million yards of Army raincoating, and 800,000 yards of Air Force raincoating, made from a base cloth of ordinary cotton coated with a synthetic known as vinylite. The companies which had made rubber raincoatings could not handle the substitute materials, and new sources had to be developed.

In the early fall of 1942 word was received that Great Britain would need one million suits of battledress and 500,000 greatcoats. A survey was made and manufacturers agreed to take on this huge order in addition to their existing contracts for Canadian requirements. At that time output was being maintained at 15,000 battledress and 10,000 greatcoats weekly, but this was boosted to 55,000 suits and 20,000 greatcoats through the fall and winter months.

Rubber Shortage Problem

The shortage of rubber created many problems. Requisitions for a large number of ground sheets were held up pending the completion of tests with synthetic and reclaim rubber, and finally a fabric treated with reclaim proved satisfactory. factory.

The Textiles Division did not come into being until April, 1943, when the Clothing Division was divided. The complexity of its work is indicated by the fact that in 1941 only 18 types of textiles were needed to meet all needs of the forces, as compared to 49 in 1942 and 110 in 1943. Of 21 mills producing the standard drab serge for battledress, two only are equipped to perform all operations from the raw wool to the finished cloth.

In 1939 the needs of the armed forces took about eight million pounds of cotton, approximately five per cent of the total output of Canadian mills. In 1940 the requirements jumped to 24 per cent (37.3 million pounds); 1941 to 31 per cent (65.1 million); 1942 to 43 per cent (91.2 million) and in 1943 to an estimated 47 per cent (99.5 million). At the end of 1943 more than 300 million pounds of cotton had been used in meeting the needs of the armed forces, and an additional 11.6 million had been imported for special purposes.

The consumption of woollens from September 1,1939, to December 31, 1943, amounted to 42,240,932 yards of cloth and 4, 287,798 blankets.

When the war broke out each of the services had but one type of standard footwear, but today many types are being made to meet such special needs as those of parachute troops, motorcyclists, tank crews, and women's divisions. Ten manufacturers were lined up for the initial production program and delivered up to 5,000 pairs per week for the three services by the end of October, 1939. Production increased to 10,000 pairs weekly by the end of 1940, 15,000 pairs weekly by December, 1942. The services stepped up their requirements in 1942 to such an extent that the number of manufacturers was increased from 10 to 31, and the weekly production from 15,000 to 42,000 pairs.

Long-range planning, some alteration of specifications, and a consiant searching for suitable substitutes made it possible to maintain the volume of production in spite of material shortages. For example, a malleable iron plate had been used on all military boots until the early part of 1942. After much experimentation, in which the National Research Council gave invaluable assistance, a steel plate was developed which had a wearing quality seven times that of malleable iron.

Burns & Co. Ltd.

Burns & Co., Ltd., one of the leading packing firms of Western Canada, operates packing plants in Calgary, Edmonton, Regina, Prince Albert, Winnipeg and Vancouver. Directly or through subsidiary companies it owns and operates creameries, cheese factories, ice cream and milk distribution plants, and wholesale fruit depots. Wholesale branches are at Kenora, Fort William, Moose Jaw, Saskatoon, Lethbridge, Nelson, Victoria, Prince Rupert and White Horse, Yukon Territory.

The company's business has for the past four years included substantial purchases for the armed forces by the Department of Munitions and Supply, as well as sales to the United Kingdom of bacon and other products; major obstacles have been government restrictions, labor shortages in some localities, and price ceilings.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$1,690,966	$340,042
1942	1,638,867	322,397
1941	1,200,473	97,421
1940	644,277	d76,371
1939	546,347	d139,541
1938	124,562	d361,355
1937	684,189	27,843
1936	896,851	195,384
	Per Share "A" Common Earned	Paid
1943	$10.12	Nil
1942	9.60	Nil
1941	2.90	Nil
1940	d1.95	Nil
1939	d3.70	Nil
1938	d9.30	Nil
1937	0.72	Nil
1936	5.05	Nil
	Plant—After Derec.	
1943	$4,893,028	$6,841,413
1942	5,188,779	6,269,780
1941	5,376,899	5,743,739
1940	5,716,307	5,169,472
1939	5,828,577	4,884,738
1938	6,106,944	4,642,641
1937	6,271,523	4,351,500
1936	6,253,859	4,095,083
	Total Assets	Working Capital
1943	$21,034,714	$3,200,063
1942	19,044,256	2,966,313
1941	17,479,698	2,687,637
1940	14,168,994	2,984,737
1939	14,369,710	2,809,196
1938	12,095,265	2,590,503
1937	12,932,301	2,825,384
1936	13,036,094	2,876,496

Canadian Converters

Canadian Converters Co., Ltd., through subsidiaries, Standard Shirt Manufacturing Co. Ltd., and John P. Black & Co., Ltd., operate plants in Montreal for the manufacture of shirts, pyjamas, juvenile apparel and work clothes.

During past year control of company changed hands and ceveral changes in direction and management effected.

Since 1940 the company has been in receipt of a fairly steady flow of business from the Department of Mnitions and Supply in shirts and other articles of uniform for the armed forces.

Years ended April 30	Gross Earnings	Net Earnings
1944	$ 272,147	$ 65,270
1943	293,494	52,912
1942	236,371	69,508
1941	123,160	56,847
1940	107,888	62,234
1939	d19,767	d38,222
1938	37,552	8,692
1937	30,334	d4,082
1936	48,478	3,378
	Per Share Common: Earned	Paid
1944	$3.76	$2.75
1943	3.05	2.00
1942	4.00	2.00
1941	3.28	2.00
1940	3.59	1.00
1939	d2.21	Nil
1938	0.50	Nil
1937	d0.24	2.00
1936	0.19	2.00
	Plants—Before Deprec.	
1944	$ 2,040,643	$ 466,807
1943	2,036,192	450,807
1942	2,033,029	434,597
1941	2,026,463	424,284
1940	2,014,513	414,018
1939	2,005,173	404,853
1938	2,000,655	399,035
1937	1,997,537	387,615
1936	1,985,093	376,164
	Total Assets	Working Capital
1944	$ 2,604,421	$ 777,386
1943	2,574,532	751,406
1942	2,642,391	699,255
1941	2,445,454	631,341
1940	2,426,531	613,810
1939	2,216,838	545,663
1938	2,662,286	598,379
1937	2,738,811	580,728
1936	2,712,241	614,411

Canadian Cottons Ltd.

Canadian Cottons Limited, the second largest operator in the cotton industry of Canada, owns and operates six cotton textile mills—three at Cornwall, Ontario; one at Hamilton; one at Milltown, N.B., and one at Marysville, N.B. A subsidiary, Cornwall and York Cotton Mills Co., Ltd., owns a mill in Saint John, N.B.

The company manufactures a wide range of cotton goods, including ticking, ginghams, shirtings, flannel goods, artificial silk fabrics, yarns, etc., and has the exclusive spinning rights in Canada for Vistra Fibre-Sase yarns. In company with other cotton textile operators, Canadian Cottons has enjoyed a wide growth in volume of business and expansion in output from its mills during the past 4 years with demand for war requirements an important factor.

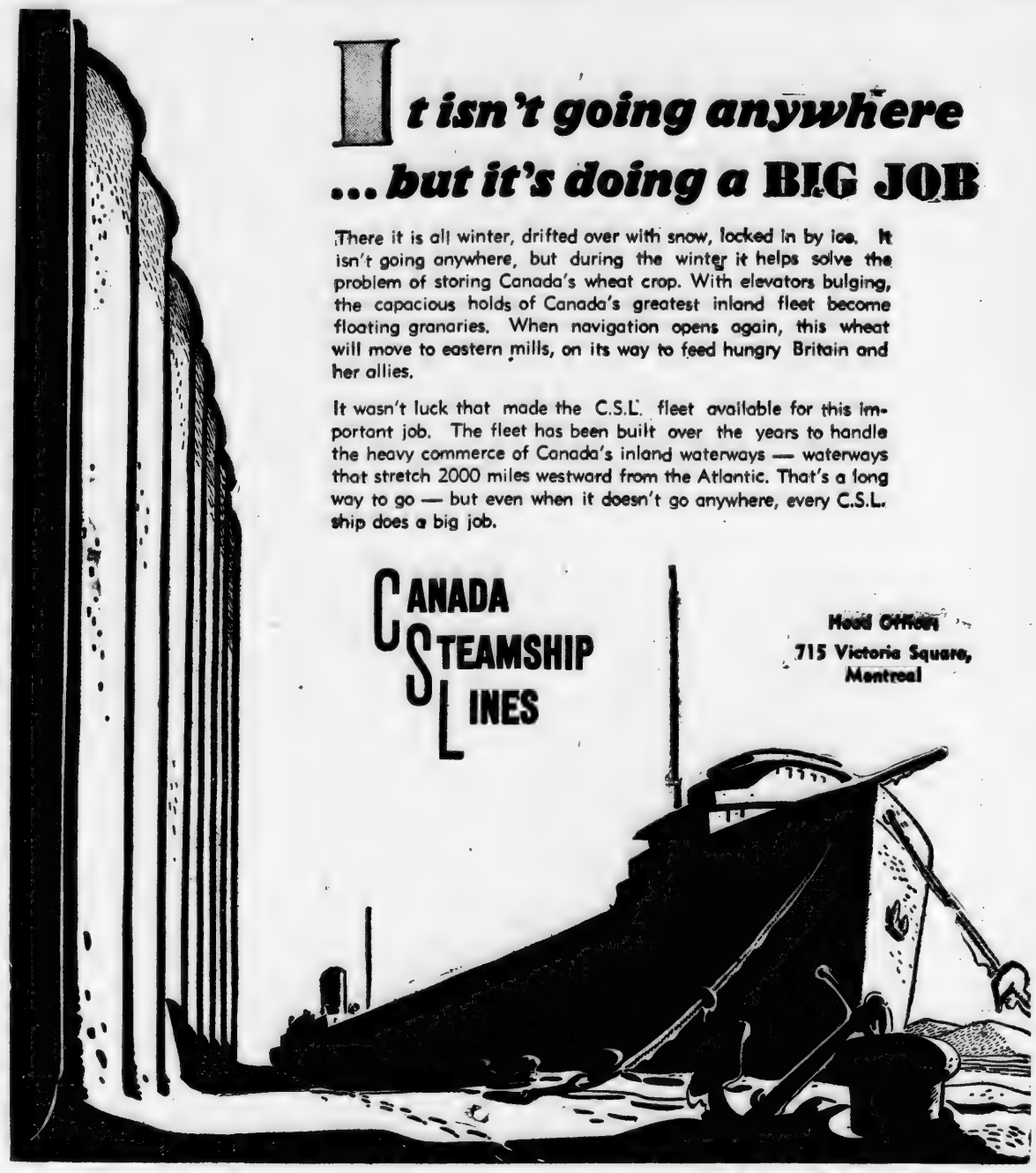
However serious operating difficulties have developed as a result of price ceilings restrictions on machinery and shortage of labor. Also, during past year, there has been a considerable switch-over in production to civilian goods, which with price ceiling operative, is being sold at a loss with company requiring to draw on government subsidy.

Years ended March 31	Gross Earnings	Net Earnings
1944	$ 968,884	$ 547,231
1943	2,832,567	546,023
1942	3,253,116	595,656
1941	2,355,455	551,811
1940	1,660,084	585,831
1938	1,067,583	226,950
1939	894,751	116,543
1937	1,371,887	360,137
	Per Share Common: Earned	Paid
1944	$12.77	$6.00
1943	12.72	6.00
1942	14.30	6.00
1941	12.23	6.00
1940	14.38	6.00
1939	d3.80	4.00
1938	0.27	4.00
1937	5.17	4.00
	Plant—Before Deprec.	
1944	$ 18,930,308	$ 16,996,314
1943	18,838,268	17,369,462
1942	18,610,822	17,066,641
1941	18,337,866	16,860,227
1940	18,069,162	15,280,939
1939	17,845,121	14,480,939
1938	12,648,443	8,680,938
1937	22,374,846	12,980,939
	Total Assets	Working Capital
1944	$ 29,466,996	$ 7,776,775
1943	28,724,717	7,420,439
1942	29,044,382	7,070,014
1941	27,216,759	6,865,289
1940	26,844,262	6,484,682
1939	9,890,709	5,518,501
1938	10,280,401	5,128,043
1937	15,618,909	4,786,084

Canada Packers Ltd.

Canada Packers Ltd., largest meat-packing organization in Canada, with plants at Montreal, Hull,

(Continued on page 21)


It isn't going anywhere
... but it's doing a BIG JOB
There it is all winter, drifted over with snow, locked in by ice. It isn't going anywhere, but during the winter it helps solve the problem of storing Canada's wheat crop. With elevators bulging, the capacious holds of Canada's greatest inland fleet become floating granaries. When navigation opens again, this wheat will move to eastern mills, on its way to feed hungry Britain and her allies.
It wasn't luck that made the C.S.L. fleet available for this important job. The fleet has been built over the years to handle the heavy commerce of Canada's inland waterways — waterways that stretch 2000 miles westward from the Atlantic. That's a long way to go — but even when it doesn't go anywhere, every C.S.L. ship does a big job.
CANADA STEAMSHIP LINES
Head Office
715 Victoria Square, Montreal

4
United
DIVISIONS
Are ready to serve Canadian Industry in Reconstruction and Peace as effectively as they served in War.
United Steel Corporation Ltd.
Head Office and Dodge Manufacturing Division, Toronto, Ont.
Canadian Mead Morrison Division
Hoisting and other Mechanical Equipment, Welland, Ont.
Standard Steel Division
Steel Fabricating Plant
Port Robinson, Ont.
Farrand & Delorme Division
Steel Fabricating Plant
UNITED STEEL CORPORATION
Limited
DODGE MANUFACTURING DIVISION
CANADIAN MEAD MORRISON
TORONTO - WELLAND - MONTREAL - WINNIPEG - KIRKLAND LAKE

Armaments and Munitions Not Only War Supply Jobs

(Continued from page 20)

Toronto, Peterboro, Edmonton, Winnipeg, Vancouver and Chicago, also operates a chain of branches and warehouses from coast to coast, Union Stock Yards, Toronto, feed and fertilizer pants at Saint John, N.B., Montreal and Toronto; nine creameries in Ontario; and, through a subsidiary, a sales depot in New York City.

Sales to the Department of Munitions and Supply are still a major factor in the company's schedule; large orders are being filled for export to the United Kingdom; and lifting of domestic slaughtering regulations seem to ensure adequate supplies for the current home market.

Years ended March 31	Gross Earnings	Net Earnings
1943	$ 5,225,616	$ 1,611,418
1942	6,600,902	1,611,464
1941	4,561,109	1,555,028
1940	3,536,891	2,246,811
1939	1,988,867	1,291,237
1938	1,676,923	978,982
1937	2,304,983	1,469,523
	Per Share: Earned	Paid
1943	$8.06	$4.00
1942	8.05	4.00
1941	7.77	5.00
1940	11.23	4.00
1939	6.46	6.00
1938	4.89	3.00
1937	7.35	3.00
	Plant—Before	Deprec.
1943	$ 23,085,096	$ 13,867,247
1942	22,594,799	13,033,088
1941	21,745,057	12,116,416
1940	21,818,771	11,413,394
1939	21,636,385	10,539,312
1938	21,515,416	9,696,091
1937	20,353,463	9,089,442
	Total Assets	Working Capital
1943	$ 46,719,485	$ 9,202,973
1942	51,370,607	7,835,070
1941	41,031,943	7,750,843
1940	39,557,393	7,130,332
1939	34,075,465	6,459,435
1938	34,719,466	5,756,519
1937	35,252,064	6,702,799

Cosmos Imperial Mills

Cosmos Imperial Mills Ltd. operate plants in Yarmouth, N.S., and Hamilton, Ontario, with a combined capacity of 5,750,000 lbs. of cotton fabrics per annum. Production covers a wide range of industrial cotton fabrics, including heavy cotton duck, for making belting and hose, canvas, railway car roofing, etc.

Company, in view of its type of production, benefits directly from any general increase in industrial activity. As a consequence the wide expansion on industrial output resulting from the war program of the Dominion has been reflected in operating results since 1940.

Activity in the newsprint industry normally is an important factor in the company's business since it is a large supplier of drier felts.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 582,239	$ 156,452
1942	632,595	207,039
1941	627,484	230,233
1940	780,924	210,346
1939	419,529	214,841
1938	331,869	159,503
1937	441,782	193,176
1936	366,813	173,809
	Per Share Common: Earned	Paid
1943	$1.56	$1.35
1942	2.07	1.35
1941	2.10	1.35
1940	1.94	1.20
1939	1.92	1.08
1938	1.56	1.25
1937	1.69	1.00
1936	1.34	0.77½
	Plant—Before	Deprec.
1943	$ 2,835,591	$ 1,536,684
1942	2,824,846	1,377,755
1941	2,748,657	1,194,053
1940	2,747,090	1,038,084
1939	2,608,647	911,116
1938	2,596,424	816,698
1937	2,577,670	749,033
1936	2,534,127	693,869
	Total Assets	Working Capital
1943	$ 4,637,281	$ 1,610,153
1942	5,440,288	1,524,747
1941	4,528,866	1,344,349
1940	4,249,237	1,123,198
1939	3,819,419	1,106,936
1938	3,654,296	978,809
1937	3,608,284	925,919
1936	3,495,402	880,597

Dominion Textile Co., Ltd.

Dominion Textile Co., Limited, the largest and most powerful organization in the cotton textile field in Canada, was originally formed in 1905 as a merger of 4 textile companies in the Province of Quebec, which were at that time more or less struggling for existence. These four consolidated companies, The Dominion Cotton Mills Company, Ltd., The Montmorency Cotton Co., The Merchants Cotton Co. and the Colonial Bleaching and Printing Co., operated plants in Montreal (2), Montmorency Falls and Magog. In 1919 the Mount Royal Mills of Canadian Cottons, Ltd., which had been operated under lease by Dominion Textile since 1910, was acquired and, in 1928 two mills were acquired, one in Sherbrooke from the Canadian Connecticut Cotton Mills, Ltd., and in Drummondville from the Jenckes Canadian Co., both of which were subsequently operated for the manufacture of cotton fabrics for automobile tires.

At the present time six plants are operated at Montmorency, Magog and Hochelaga Merchants, Mount Royal, and Verdun, in Greater Montreal, where the principal operations of the company are concentrated, and in addition the two tire fabric mills at Sherbrooke and Drummondville.

During the past 3 years, as a result of active operations at mills of the company, considerable capital expenditures have been made of new equipment, extension in warehouse space, etc.

Production from the company's plants covers a wide range, including cotton yarns, fabrics, silk, rayon, velveteen, corduroy, and tire fabrics. In addition to the production of these yarns and fabrics, bleaching, printing, and dyeing is also undertaken at the mills.

War production, which in 1943 ran as high as 80 per cent, had this summer gone as low as 25 per cent, due to the swing in emphasis from war demands to civilian needs. Factors limiting the company's profit outlook are low ceiling prices combined with labor, material and mechanical problems.

Years ended Mar. 31	Gross Earnings	Net Earnings
1944	$ 3,088,153	$ 1,639,508
1943	11,130,376	1,636,830
1942	11,119,743	1,546,624
1941	7,377,931	2,034,146
1940	4,630,283	2,214,070
1939	2,095,044	1,039,431
1938	3,015,660	1,461,376
1937	3,012,400	1,675,738
	Per Share Common: Earned	Paid
1944	$5.57	$5.00
1943	5.56	5.00
1942	5.22½	5.00
1941	7.03	5.00
1940	7.60	5.00
1939	3.35	5.00
1938	4.91	5.00
1937	5.70	5.00
	Plant—Before	Deprec.
1944	$ 32,668,026	$ 26,039,366
1943	32,359,954	19,119,867
1942	31,838,361	17,257,088
1941	31,291,554	15,725,078
1940	30,861,472	14,415,437
1939	30,996,714	13,971,904
1938	30,551,231	12,969,706
1937	28,975,570	11,659,233
	Total Assets	Working Capital
1944	$ 55,181,266	$ 14,398,388
1943	60,167,980	13,806,741
1942	56,251,846	12,463,523
1941	51,195,007	10,328,218
1940	45,872,507	9,509,047
1939	44,763,418	8,495,490
1938	45,127,641	8,432,530
1937	44,279,725	8,911,812

Dominion Woollens

Dominion Woollens & Worsteds, Ltd., is the largest Canadian manufacturer of woollens and worsted clothes. With three plants, located at Peterborough, Hespeler and Orilia, the company is completely equipped to produce weaving and knitting yarns, dye the yarns, and weave and finish the cloth.

The company was formed in 1928 as a consolidation of several firms, some of which had been in existence for many years. In 1935 the company was reorganized due to default in bond interest in 1934.

During current year shareholders of company ratified a plan to convert preferred stock (6 p.c. participating) into 5 p.c. debentures on basis of $100 of debentures for each 5 shares of preferred plus right to one share of common stock for each preferred at $1 a share.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 590,928	$ 147,387
1942	1,424,856	163,110
1941	692,204	219,844
1940	850,149	229,797
1939	405,647	113,935
1938	*28,434	*182,795
1937	205,283	521
1936	109,546	3,660
	Per Share Preferred: x Earned	Paid
1943	$0.48	$0.60
1942	0.58	0.60
1941	0.96	0.60
1940	1.03	Nil
1939	0.25	Nil
1938	*3.00	Nil
1937	*0.88	Nil
1936	*0.85	Nil

x—On common.
*—Deficit.

	Plant—After	Deprec.
1943	$ 2,033,321	$ 1,784,082
1942	2,125,256	1,663,228
1941	2,241,739	1,413,054
1940	2,332,157	1,236,925
1939	2,474,635	995,768
1938	2,645,253	856,252
1937	2,830,470	1,521,089
1936	2,910,071	1,587,375
	Total Assets	Working Capital
1943	$ 4,480,499	$ 1,489,286
1942	4,907,124	1,388,862
1941	4,632,656	1,061,277
1940	4,589,587	932,447
1939	4,001,126	650,128
1938	3,693,964	458,750
1937	4,544,343	653,454
1936	4,581,407	552,923

Hamilton Cotton Co.

Hamilton Cotton Co., with mills in Hamilton and Trenton, Ontario, is an important manufacturer of cotton products. Products include cotton webbings, yarn and twine, cordage, overall cloth and denims. The company does all its own spinning of yarns as well as dyeing and bleaching.

Demand for web equipment for the Canadian forces has been a factor of considerable importance in operations of company during past four years.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 507,499	$ 123,678
1942	576,711	143,307
1941	801,433	135,751
1940	805,657	137,945
1939	328,432	100,145
1938	276,628	70,688
1937	332,732	111,778
1936	325,306	109,137
	Per Share Common:	
1943	$1.54	x $0.65
1942	5.40	0.20
1941	4.97	Nil
1940	5.07	Nil
1939	3.16	Nil
1938	1.89	Nil
1937	3.69	Nil
1936	3.56	Nil
	Plant After	Deprec.
1943	$ 1,261,814	$ 2,205,643
1942	1,412,682	2,003,290
1941	1,602,083	1,772,364
1940	1,747,533	1,563,231
1939	1,913,768	1,343,699
1938	1,797,584	1,300,859
1937	1,760,524	1,230,383
1936	1,741,721	1,127,161
	Total Assets	Working Capital
1943	$ 2,910,993	$ 1,442,553
1942	4,293,817	1,361,138
1941	3,530,613	1,120,733
1940	3,265,339	996,171
1939	2,954,013	821,268
1938	2,934,708	776,383
1937	2,641,054	761,734
1936	2,659,411	739,398

x—20 cents on former 20,000 shares, and 22½ cents on present 80,000 shares; (2 for 1 split).

Mercury Mills Ltd.

Mercury Mills Limited operates plants in Hamilton and Listowel, Ontario, for production of knitted goods and a wide range of commercial and hand knitting yarns.

Company since beginning of war has spent a considerable sum in installation of modern equipment at the mills.

Reflecting trend of business in the textile industry resulting from direct government purchases for war purposes and greater activity in regular trade, sales of company increased sharply during past few years.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 378,894	$ 100,723
1942	533,264	56,061
1941	423,703	65,624
1940	419,144	61,429
1939	287,848	35,454
1938	123,142	d23,736
1937	106,144	d37,603
1936	128,577	d22,041
	Per Share: Earned	Paid
1943	$1.27	Nil
1942	0.70	Nil
1941	0.83	Nil
1940	0.77	Nil
1939	0.44	Nil
1938	0.23	Nil
1937	0.47	Nil
1936	0.28	Nil

d—Deficit.

	Plant—After	Deprec.
1943	$ 1,317,772	$ 1,878,816
1942	1,459,241	1,712,218
1941	1,556,926	1,557,781
1940	1,627,563	1,420,200
1939	1,577,640	1,311,193
1938	2,197,050	1,235,865
1937	2,215,577	1,195,725
1936	2,231,337	1,152,148
	Total Assets	Working Capital
1943	$ 3,338,873	$ 1,248,200
1942	3,327,954	1,098,988
1941	3,105,331	860,695
1940	3,144,938	773,587
1939	2,554,834	634,234
1938	3,088,482	504,124
1937	3,020,455	480,319
1936	3,012,778	487,972

Monarch Knitting Co. Ltd.

The Monarch Knitting Co., Ltd., with plants in Dunnville, St. Thomas and St. Catharines, Ontario, produces a wide range of knitted goods including suits, jackets, sweaters, pullers, cardigans, bathing suits, and hosiery. Offices and warehouses are maintained at strategical locations throughout Canada.

Company along with other knitting organizations has been in receipt of considerable war business from the government.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 291,251	$ 65,281
1942	327,536	126,482
1941	182,283	72,283
1940	188,874	46,874
1939	166,405	101,247
1938	*18,183	*53,183
1937	64,033	24,009
1936	55,736	17,238
	Per Share Common: Earned	Paid
1943	$1.00	Nil
1942	5.80	Nil
1941	1.35	Nil
1940	*0.44	Nil
1939	3.52	Nil
1938	*4.76	Nil
1937	*2.23	Nil
1936	*2.26	Nil
	Plant—After	Deprec.
1943	$ 662,783	$ 1,322,150
1942	712,126	1,272,150
1941	750,217	1,222,150
1940	779,544	1,187,150
1939	780,429	1,152,150
1938	796,886	1,117,150
1937	821,534	1,082,150
1936	827,242	1,047,750
	Total Assets	Working Capital
1943	$ 3,071,378	$ 1,072,430
1942	3,102,791	1,029,398
1941	3,102,485	899,270
1940	3,184,645	846,082
1939	2,872,312	833,141
1938	2,810,215	715,508
1937	2,990,404	752,417
1936	3,042,187	779,454

*—Deficit.

Montreal Cottons, Limited

The Montreal Cottons Limited operates mills in Valleyfield, Quebec, for the production of cotton textile fabrics, chiefly fine goods, fancy goods and colored goods. Company is controlled, through majority ownership of common stock, by Dominion Textile Co. Ltd.

Mills have been kept very close to capacity since middle of 1940 with widely increased volume of regular domestic business augmented by direct sales of goods to the government for war materials.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 650,573	$ 345,573
1942	2,063,919	487,338
1941	1,868,080	614,743
1940	1,311,195	344,383
1939	1,181,939	622,473
1938	642,762	271,701
1937	649,909	286,044
1936	851,581	405,407
	Per Share Common: Earned	Paid
1943	$4.52	$4.00
1942	6.15	4.00
1941	8.48	4.00
1940	4.48	4.00
1939	13.75	2.00
1938	2.06	2.00
1937	2.53	2.00
1936	6.51	Nil
	Plant—After	Deprec.
1943	$ 4,022,036	$ 5,333,080
1942	4,399,069	4,941,752
1941	4,664,946	4,441,752
1940	4,853,821	3,941,752
1939	4,975,314	3,541,752
1938	5,125,552	3,141,752
1937	5,280,676	2,867,344
1936	5,361,852	2,609,202
	Total Assets	Working Capital
1943	$ 8,637,710	$ 3,694,590
1942	9,820,381	3,237,759
1941	9,140,926	2,860,444
1940	9,146,758	2,384,680
1939	8,321,100	2,264,701
1938	7,953,383	1,580,020
1937	8,257,139	1,455,988
1936	8,475,387	1,354,122

Penmans Limited

Penmans Limited, the largest and most efficient operator in the Canadian knitting industry operates knitting mills at Paris, Waterford, Brantford and London, Ontario and St. Hyacinthe and Coaticook, Quebec. Company produces a wide range of silk, cotton, rayon and woollen knitted goods, including hosiery, underwear, bathing suits, mitts, blankets, etc., for which a popular market has been built up from one end of Canada to the other. Company also does a substantial export business with Great Britain and other Empire countries.

The principal line produced at the mills are hosiery—cashmere, silk, and cotton; underwear of all kinds; bathing suits; lumbermen's socks, mitts and blankets; and pulp and paper maker's felts and jackets. Sales offices are located in Montreal, Toronto, Halifax, London (Ont.), Hamilton, Saint John and Quebec, and agencies at Vancouver, Winnipeg and Calgary. Agencies have also been established in England, Ireland, Australia, New Zealand, South Africa, Trinidad, Jamaica, Newfoundland, China, and India. Penmans Limited owns and operates the Watson Manufacturing Co., Ltd., of Brantford.

Operations of company have been and are benefitting both from direct government buying for military purposes and from effects of the war upon domestic operations of the knitting mills. On the other hand, the war has brought difficulties in labor and raw material supplies and has affected to some extent its export business.

The past year saw an approximate increase of 8 per cent in sales, being a reversal of the previous year's trend, which showed a decrease of almost 9½ per cent. Dividends of $3 per share have been maintained since 1932.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 1,111,561	$ 362,409
1942	1,493,083	374,841
1941	1,264,448	347,582
1940	1,154,572	357,328
1939	797,802	328,984
1938	484,329	159,595
1937	716,273	328,164
1936	676,835	306,240
	Per Share Common: Earned	Paid
1943	$4.62	$3.00
1942	4.53	3.00
1941	4.39	3.00
1940	4.60	2.00
1939	4.10	3.00
1938	1.48	2.00
1937	4.33	3.00
1936	3.75	3.00
	Plant—After	Deprec.
1943	$ 3,828,157	$ 2,474,172
1942	4,057,269	2,249,172
1941	4,291,123	2,024,172
1940	4,403,989	1,799,172
1939	4,523,731	1,574,511
1938	4,665,763	1,371,511
1937	4,663,672	1,321,254
1936	4,642,439	1,220,132
	Total Assets	Working Capital
1943	$ 8,049,116	$ 3,240,291
1942	8,092,378	2,983,297
1941	8,162,748	2,776,795
1940	7,959,080	2,627,688
1939	7,560,685	2,556,307
1938	7,364,378	2,429,893
1937	7,447,539	2,534,910
1936	7,451,989	2,569,180

Regent Knitting Mills

Regent Knitting Mills, Ltd., incorporated in 1928 as successor to a company of the same name founded in 1913, is engaged in the knitting of woollen, silk and cotton products which are sold throughout Canada and Newfoundland. Spinning, knitting and dyeing plants are located at St. Jerome, outside of Montreal. During 1933 the company sold its cotton spinning mill located at Guelph, Ontario.

It was announced recently that a controlling interest in company had been sold to Grovers Mills Ltd. of Montreal.

Expansion in company's sales in recent years has been due almost entirely to heavy war orders received. Company has spent approximately $100,000 on new equipment, to permit undertaking of a larger volume of business.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	*$	$ 15,221
1942	781,393	112,304
1941	603,559	54,487
1940	636,959	115,543
1939	420,729	43,597
1938	213,523	116,744
1937	467,085	56,161
	Per Share Common: Earned	Paid
1943	*$0.63	$0.50
1942	1.56	0.50
1941	0.44	0.25
1940	1.38	0.25
1939	0.28	Nil
1938	*2.19	Nil
1937	0.47	Nil
	Plant—After	Deprec.
1943	$ 585,964	$ 1,197,169
1942	594,952	1,156,941
1941	623,622	1,048,735
1940	660,931	977,279
1939	742,909	886,846
1938	807,912	810,125
1937	821,614	791,286
	Total Assets	Working Capital
1943	$ 2,390,525	$ 1,057,848
1942	2,533,912	1,138,155
1941	2,482,869	1,100,525
1940	2,292,942	987,211
1939	2,004,250	845,667
1938	1,847,850	754,708
1937	2,022,210	912,080

Tip-Top Tailors Ltd.

Tip-Top Tailors, Ltd., operates a plant in Toronto for the manufacture of men's clothing, also a chain of 52 stores located in urban centres throughout Canada. Company does the largest made to measure clothing business in Canada.

Sales of the company during 1940 reflected widely increased employment throughout the country and larger pay envelopes as a result of war conditions. Since beginning of 1941, however, percentage of production being diverted to military supplies has increased very materially, and major proportion of company's output is needed for war purposes.

Years ended Dec. 28-31	Gross Earnings	Net Earnings
1943	$ 903,509	$ 110,126
1942	821,253	172,607
1941	499,179	224,497
1940	920,389	219,393
1939	490,924	253,005
1938	358,645	164,675
1937	494,465	282,715
1936	345,181	157,057
	Per Share Common: Earned	Paid
1943	$0.34	$0.30
1942	0.86	0.45
1941	1.28	0.60
1940	1.24	0.60
1939	1.51	0.60
1938	0.76	0.60
1937	1.70	0.70
1936	0.61	0.50
	Property—After	Deprec.
1943	$ 1,029,571	$ 1,527,289
1942	1,101,449	1,444,712
1941	1,194,366	1,325,809
1940	1,166,845	1,250,214
1939	1,230,096	1,106,565
1938	1,254,285	1,049,760
1937	1,305,962	990,381
1936	1,343,868	895,800
	Total Assets	Working Capital
1943	$ 4,197,500	$ 1,989,217
1942	4,679,574	1,787,640
1941	4,339,211	1,509,012
1940	4,249,151	1,490,664
1939	3,277,074	1,407,614
1938	2,985,512	1,413,834
1937	3,220,933	1,355,160
1936	3,016,877	1,371,613

Tooke Brothers

Tooke Bros., Ltd., operates a factory in Montreal and branches in Toronto, Winnipeg and Vancouver. Products consist of shirts, collars and haberdashery.

In October of last year a reorganization of capital structure was effected by which 35,000 shares of new common stock replaced former 9,850 shares of 7 p.c. preferred and 8,725 common. Preferred shareholders received 14 new common for each 5 shares held and common shareholders 1 for 5.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 162,843	$34,192
1942	204,576	53,695
1941	110,217	44,528
1940	76,993	26,232
1939	21,702	1,200
1938	d50,163	d62,085
1937	63,680	32,966
1936	d37,713	d57,616
	Per Share Common: Earned	Paid
1943	a$1.16	a$0.25
1942	d1.75	Nil
1941	d2.80	Nil
1940	d4.90	Nil
1939	d7.75	Nil
1938	d15.00	Nil
1937	4.12	Nil
1936	d18.54	Nil
	Plant—Before	Deprec.
1943	$ 729,547	$ 396,698
1942	716,028	370,385
1941	108,591	342,219
1940	695,988	314,786
1939	688,289	288,649
1938	681,673	278,649
1937	676,646	278,649
1936	673,901	225,850

	Total Assets	Working Capital
1943	$ 1,641,839	$ 466,133
1942	2,133,029	422,079
1941	1,971,926	450,387
1940	1,859,343	417,648
1939	1,591,362	376,612
1938	1,465,252	394,836
1937	1,574,828	448,084
1936	1,535,897	457,752

d—Deficit.
a—On new common.

Wabasso Cotton Co., Ltd.

The Wabasso Cotton Company and its subsidiaries operate four mills in Three Rivers and Shawinigan Falls, P.Q., with a total capacity of 1,800 looms and 108,000 spindles.

Company owns and operates the St. Maurice Valley Cotton Mills, Ltd., of Three Rivers, Quebec, and the Shawinigan Cotton Co., Limited, of Shawinigan Falls.

Years ended May 31	Gross Earnings	Net Earnings
x 1944	$ 1,126,850	$ 396,750
x 1943	1,590,034	320,208
x 1942	2,930,340	749,988
x 1941	2,215,524	568,216
1940	1,719,547	576,862
1939	811,628	187,979
1938	792,386	186,113
	Per Share Common: Earned	Paid
x 1944	$5.68	$4.00
x 1943	4.58	4.00
x 1942	10.72	3.00
x 1941	8.36	2.00
1940	9.40	1.35
1939	2.63	1.00
1938	2.66	1.15
	Plant—After	Deprec.
x 1944	$ 3,585,345	$ 6,957,526
x 1943	3,339,894	6,577,694
x 1942	4,095,040	6,181,838
x 1941	4,334,333	5,773,723
1940	4,165,074	5,352,811
1939	4,304,482	4,994,582
1938	5,960,844	4,731,930
	Total Assets	Working Capital
x 1943	$ 7,402,303	$ 2,560,216
x 1942	8,765,975	2,341,372
x 1941	8,434,350	1,869,939
1940	7,897,257	1,906,357
1939	6,798,235	1,392,379
1938	9,000,192	1,428,242

x—Years ended May 1st.

Wilsil Limited

Wilsil Limited, and its subsidiary companies, operates abattoirs, packing and rendering plants in Montreal, with a complete line of packing house products and by-products.

In common with other packing concerns the company's operations have been affected by labor shortages, government regulations, and price ceilings, and export marketing through the Bacon Board.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$385,113	$184,564
1942	376,851	182,295
1941	431,795	192,505
1940	379,128	202,547
1939	402,630	299,837
1938	317,222	232,190
1937	331,269	229,465
1936	334,747	220,433
	Per Share: Earned	Paid
1943	$1.36	$1.00
1942	1.34	1.00
1941	1.42	1.00
1940	1.49	1.00
1939	2.20	1.00
1938	1.71	.60
1937	1.69	.65
1936	1.62	.60
	Property—After	Deprec.
1943	$710,666	$693,306
1942	728,510	648,589
1941	747,498	623,174
1940	696,549	595,022
1939	667,486	561,870
1938	673,147	527,052
	Total Assets	Working Capital
1943	$3,507,095	$1,577,400
1942	2,835,434	1,509,705
1941	2,632,965	1,448,720
1940	2,493,452	1,447,437
1939	2,350,821	1,442,904
1938	2,065,756	1,224,329

Woods Man'f'g. Co.

Benefitting both from direct war business in the shape of orders from the federal government and from more active industrial conditions resulting from the war, Woods Manufacturing Co., Ltd., has shown a healthy improvement in operating results during the past few years.

Company which has operated under its present name since 1918 was originally known as Smart-Woods Limited, being a consolidation of Smart Bag Co. and Woods Limited and merged the Empire Cotton Mills Ltd., of Welland, in 1914. A controlling interest formerly held in the Renfrew Knitting Co. was sold in 1919.

Capital reorganization this year provided for elimination of preferred arrears by exchange of 4 new common shares for each share of old preferred. Common shareholders received 1 new common for each 5 old.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 973,055	$ 135,016
1942	1,051,431	140,351
1941	823,697	114,883
1940	529,455	55,500
1939	254,498	99,020
1938	45,285	d49,952
1937	9,836	d104,290
	Per Share Preferred: Earned	Paid
1943	$8.83	Nil
1942	10.49	Nil
1941	7.52	Nil
1940	3.63	Nil
1939	8.48	Nil
1938	d3.27	Nil
1937	d0.52	Nil

d—Deficit

	Property—After	Deprec.
1943	$ 1,138,262	$ 2,525,872
1942	1,206,008	2,327,119
1941	1,406,661	2,105,582
1940	1,540,800	1,826,683
1939	1,574,574	1,712,040
1938	1,591,877	1,641,575
1937	1,568,522	1,610,779
	Total Assets	Working Capital
1943	$ 4,429,223	$ 2,192,586
1942	4,239,776	1,906,671
1941	4,762,561	1,530,886
1940	3,980,995	1,117,450
1939	3,483,874	899,955
1938	3,235,729	818,383
1937	3,356,866	944,280

York Knitting Mills Ltd.

York Knitting Mills, Ltd., spins woollen, worsted, and cotton yarns and manufactures a wide range of hosiery and underwear. Mills are operated at Toronto (2), Hamilton and Woodstock, Ont.

Controlled by the Sir James Woods interests, the company was incorporated in 1911, but main public interest in the company came only with the final acquisition of Zimmerknit Co. and subsidiaries in 1937. At that time various subsidiaries were merged into one unit and lost their identities.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$ 395,463	$ 152,748
1942	812,041	238,148
1941	474,709	134,935
1940	516,454	171,467
1939	467,642	260,014
	Per Share Common: Earned	Paid
1943	$0.53	$0.40
1942	0.90	0.40
1941	0.45	0.40
1940	0.61	0.30
1939	1.00	Nil
1938	0.23	Nil
1937	0.14	Nil
	x Plant Account	
1943		$1,285,108
1942		1,401,310
1941		1,491,212
1940		1,592,386
1939		1,600,235
1938		1,479,541
1937		1,513,575

x—Less reserves.

	Total Assets	Working Capital
1943	$ 3,889,400	$ 2,037,164
1942	4,161,086	1,439,467
1941	3,920,731	1,365,302
1940	4,479,125	1,302,364
1939	4,056,530	1,233,745
1938	3,742,401	1,200,265
1937	3,568,037	1,171,942

Ammunition Production A Remarkable War Job

(Continued from Page 14)

were delivered, 25 per cent more than in 1942. This means 125 million rounds per month—more than four million per day—500 bullets streaming off to the fighting fronts every single second of the year.

Small calibre projectiles made in Canada range from the .22-inch to the one-inch, and comprise 18 different types including the .303-inch, .380-inch, 9-mm., 455-inch, .5-inch, and .55-inch armor-piercing. The largest production item is the .303-inch used in rifles, Bren guns, and machine guns. This bullet is turned

Canada's Aircraft Industry A Miracle Of Organization

Production Increased From $42 Million in Value in 1939-40 to $325 Million Last Year — Total of 10,517 Planes Produced From Beginning of War to End of 1943 — Aircraft Program Now Balanced

NOT BY any means the least of Canada's achievements in the matter of wartime production is the record of expansion in output of aircraft. At the outbreak of war aircraft production in the Dominion was negligible, facilities comprising a few plants spread throughout the country with a relatively small capacity designed to satisfy the meagre demand for commercial airplanes and aircraft for government requirements in the way of surveys, fire protection, etc.

For about a year prior to the war, with trouble in Europe obviously brewing, a start was made in the expansion of aircraft capacity in the country and establishment of facilities for production of training planes and war craft.

Thus from a modest undertaking employing 1,000 workers, the aircraft industry has developed since the beginning of the war into one of Canada's most important industries, employing more than 120,000 men and men. The average annual output of aircraft during the five years which preceded the war was about 40 planes; in 1943 it exceeded 4,000. Plant floor space has increased from a mere 500,000 square feet to more than 14 million.

Progress in the field of wartime aircraft production in Canad is indicated by the following figures:

Dollar Value of Output (including overhaul):

1939-40	$ 42 million
1941	100 "
1942	216 "
1943	325 "
Total	683 "

Number of Aircraft Produced (all types):

1939-40	904
1941	1,699
1942	3,781
1943	4,133
Total	10,517

The 10,517 planes produced in Canada are divided as follows: advanced trainers, 4,183; elementary trainers, 3,302; and service aircraft, 3,032.

In the foregoing figures, the disparity between the large increase in dollar value and the relatively small increase in volume for 1943 is the direct result of a change-over from small, medium training and service planes to costlier, heavier and more complex combat aircraft such as the Lancaster, the Mosquito, the Catalina, and the Hell Diver. The difference between a Lancaster and an elementary trainer is proportionately as great as that between a battleship and an escort vessel. The four-engined bomber is 22 times heavier than the Cornell, has 30 times its horsepower, and costs about 35 times more. The tail-span of the Lancaster is greater than the total length of the Cornell.

History of Industry

There were two outstanding early contributions to aeronautical development in Canada. One was the work of the Aerial Experiment Association headed by Doctor Alexander Graham Bell at Baddeck, Cape Breton, commencing in 1907. This association designed and flew several of the earliest heavier-than-air machines in the British Empire. The oher major contribution was the basic research work in the science of aerodynamics prior and subsequent to 1907 by Wallace Rupert Turnbull, of Rothesay, New Brunswick. Turnbull's chief claim to fame lies in the invention of the electrically controlled, variable pitch, constant speed propeller.

There were no notable accomplishments in this field in the Dominion from 1909 to 1916 when J. A. D. McCurdy established the first aircraft factory in Canada, Curtiss Airplanes & Motors Limited. During the last war, this firm and its successor, Canadian Aeroplanes Limited, established a truly remarkable record by producing 3,000 planes constructed mainly of wood and fabric.

Following the armistice, aeroplane manufacture in Canada was discontinued, and it was not until 1923 when Canadian Vickers Limited was given an order by the Canadian Air Board for eight single-engined imphibians, that a revival took place. Prior to this war, however, aircraft production was not a major industry in Canada.

When the Stukas and the Messerschmitts began to paralyze the countries of Europe, it was felt that British production alone could not supply all the planes needed to oppose the Axis, and Canada was called upon to contribute to the air power of the Empire, if only by meeting the major requirements of the Commonwealth Air Training Plan. At the outbreak of the war, Canadian plants had contracts for about 200 warplanes — Lysanders, Bolingbrokes, Sharks and Stranraers for the Department of National Defence, and Hampdens and Hurricanes for the British Government. No planes had been delivered. Assembly lines were largely in the blueprint stages.

First Big Orders

In January, 1940, 100 Harvards were ordered; in February, 808 Tiger Moths and Fleet Finches. Other contracts let during the first half of 1940 were for the large-scale production of wings and ailerons for British-made Ansons, and the assembly of Fairey Battles.

Then France fell. Shipping to and from the United Kingdom became a serious problem. The Commonwealth Air Training Plan was in jeopardy. So Canada undertook to build complete Ansons. Arrangements were made to buy engines from the United States. Federal Aircraft Limited, a Crown company, was created to co-ordinate the program under which several thousand Ansons of three different types were ultimately built.

Yet, as late as September, 1940, Canada still had wholly inadequate aerial protection. An emergency conference was held, out of which grew plans to build combat types in Canada. But the road was not an easy one. The program on the Catalina coastal reconnaissance bomber was started. Substantial additional orders for Bolingbrokes and Hurricanes were placed. United States fighters and bombers were considered, but were ultimately abandoned in favor of the Mosquito and the Lancaster. By July, 1941, Canadian plants had over 5,900 planes on order.

In 1941, it became apparent that more training planes must be built to meet the needs of the Commonwealth Air Training Plan. Intelligent long-range production was arranged, and the expansion of manufacturing facilities planned accordingly.

Despite the many delays which the industry experienced during the changeover and retooling periods, Canada, by the end of 1942, had emerged with a well-rounded program consisting of nine top-ranking planes, only one of which has been dropped since the new program was established.

Production To Date

Since the outbreak of the war, Canada has brought to a successful conclusion the following aircraft contracts: Elementary trainers: 1,384 Tiger Moths, 10 Menasco Moths, 126 Wireless Moths, and 431 Fleet Finches. Advanced trainers: 101 Fleet Forts, and 225 Lysanders (33 per cent of which were of the army co-operation type). Service aircraft: 15 Sharks, 15 Grummans, 32 Stranraers, 8 Deltas, 160 Hampdens, 626 Bolingbrokes, and 1,451 Hurricanes. Under contracts still in effect, the following planes have been produced at December 31, 1943: 280 Norsemen, 1,650 Harvards, 2,250 Ansons, and 1,351 Cornells.

In addition to the actual manufacture of planes, Canada has assembled 3,200 aircraft from Great Britain, and purchased more than 3,000 in the United States. A total of 2,500 service aircraft built in the Dominion have been delivered to the United Nations in various theatres of war.

It is largely through the initiative of the Department's Aircraft Production Branch that Canada today has a balanced aircraft program comprising the most modern types and orders on hand for 1944 and a part of 1945. It conducted widespread surveys to ascertain how far the Dominion could go in the production of large aircraft of the latest design, created the facilities needed for their manufacture, and sold Britain and the United States on the idea that Canada could mass-produce virtually any type of aircraft in the air today. With orders on hand for more than $750 million, involving the construction of some 10,000 additional planes, the aircraft industry of Canada may well point with pride to its record of achievement.

Many Sub-Contractors

Producing an aircraft is comparable to assembling a gigantic jig-saw puzzle the parts for which would come in different sizes from every corner of the country. In addition to the eight primary contractors engaged in aircraft production in Canada, there are nearly 300 sub-contractors and miscellaneous manufacturers turning out the thousands of components required in the building of planes — wires and pipes, instruments and propellers, and wings and fuselages. Hundreds of tons of aluminum sheet and parts are supplied to primary and intermediate contractors, from the Toronto and Kingston plants of the Aluminum Company of Canada. In turn, these factories receive their rough aluminum ingots from the Arvida plant, where thousands more are employed.

Building an airplane involves such other factors as engineering and planning, factory buildings and labor, machine tools and equipment. Often, when a plane is about ready to fly, design changes will be ordered which necessitate re-engineering, new tools, and prolonged delays. Both the Lancaster and the Mosquito had to be re-engineered for material and equipment which were available on this continent. In the instance of one service aircraft being built in Canada, modification and engineering orders totalled no fewer than 60,000.

It stands to the credit of the Canadian aircraft industry that all these problems have been met and overcome. Contractors have often had to effect their own re-engineering, and have had to tool up, and produce from sample parts and components.

Many Procurement Problems

The procurement problems of the aircraft industry are innumerable. Communications material, wheels, armament bolt, and nuts have all to be brought together at the same place, at the right time. To avoid many of the delays and disappointments of relying on outside sources, facilities have been created to produce in Canada all aircraft components, except engines, and a few instruments which can be imported more easily than they can be made here.

Canada today turns out such complex aircraft parts as the hydraulic system, an item which would have been impossible four years ago. All the undercarriages are made in the Dominion and some, for the Hurricane and the Lancaster, for instance, are exported to England. Two types of controllable metal propellers and various types of wooden airscrews are also in volume production, as well as intricate navigation equipment including such items as bombsights, bomb racks, drift sights, recorders, compasses, computers, astrographs, and astro-compasses. At the beginning of the war, no aircraft instruments were being made in Canada. Today, a complete range, including the intricate sensitive altimeter, are being turned out in large quantities. An eastern Ontario factory has delivered hundreds of Link trainers, the famed flying machine which never leaves the ground. Training schools have been amply equipped with the Link, and production is now being stopped.

Overhaul Operations

An aircraft is not built to last forever. In take-off and landing operations it is subjected to terrific punishment which is often sufficient to damage it. In flight, it suffers a great deal of wear and tear. Planes, therefore, must be overhauled regularly by trained experts, a task which is almost equivalent to building a new aircraft, since the machine brought in for reconditioning must be literally torn to pieces and reconstructed from nose to tail.

To keep its more than 12,000 service and training planes in the air, Canada has created an aircraft repair and overhaul program which is second to none. It is carried out in twenty major plants, assisted by 65 smaller contractors, and 50 ancillary firms. The main contractors are strategically located from coast to coast, and can handle any type of plane from a hedge-hopper to a four-engined bomber. The Canadian aircraft overhaul industry employs 18,000 men and women, and occupies two million square feet of factory floor space.

Since the beginning of the war, this civil repair organization has delivered to the services more than 8,000 aircraft and 20,500 aircraft engines. There are no fewer than 25,000 engines to be serviced in Canada. The Overhaul and Repair Division of the Aircraft Production Branch is delivering back into service each month an average of approximately 200 planes and approximately 1,000 engines. Involved in this work is a chain of plants from coast to coast with a total personnel employed of 17,863.

Aircraft Control

In order to prevent the unauthorized use of government-owned facilities in the repair of civilian aircraft, and to eliminate production delays resulting from unwarranted design and construction modifications in aircraft components, the Director General of the Aircraft Production Branch was appointed Aircraft Controller in June, 1942.

In September, 1942, an order was issued restricting the manufacture and assembly of aircraft to the completion of contracts placed by the Dominion Government, or approved by the Controller. The order also provided that no person might introduce any modification, change, or addition into aircraft produced for the Crown except on instructions from the controller. It was further decreed that no repair or overhaul contractor, under contract with the Crown, might employ government-owned facilities to repair and overhaul aircraft not covered by such contract, except by permit issued by the Aircraft Controller.

Can. Car & F'dry Co., Ltd.

Canadian Car and Foundry Co., Limited, with subsidiaries, operates plants in Montreal (4), Fort William, Brantford and Welland, Ontario, and Amherst, N.S. Principal line of production has been rolling stock for steam and electric railways but foundries produced a diversified range of iron and steel products and in recent years, company has gone into the building of aircraft in a big way.

Principal aircraft plant is at Fort William, where an old car plant of the company that had been idle for years was converted into a factory to produce Hawker Hurricane fighter planes. This plant is now producing Curtiss dive bombers Company, in one of its Montreal plants, also has produced through its association with Can. Associated Aircraft, Ltd., parts for "Hampden" bombers. At Amherst, N.S., and Montreal plants, trainer planes, aircraft parts and heavy calibre shells are being produced.

In addition to large orders already placed during past year from both Canadian railroads for new equipment, it can be reasonably anticipated that the company will be called upon to rehabilitate the transportation systems of war-torn Europe and Asia, as was the case following World War I.

While security considerations have so far prevented the issuing of any statement on postwar aircraft planning, there is no doubt in observers' minds that the company will take its part in the development of civil aviation in peacetime.

Years ended Sept. 30	Gross Earnings	Net Earnings
1943	$ 4,887,129	$ 832,241
1942	4,956,728	958,384
1941	2,424,488	701,886
1940	1,505,259	447,581
1939	d50,798	d504,815
1938	1,967,694	1,176,085
1937	1,917,006	1,121,320
1936	281,790	7,684

	Per Share Earned	Common: Paid
1943	$0.68	Nil
1942	1.28	Nil
1941	0.58	Nil
1940	d0.04	Nil
1939	d2.73	Nil
1938	1.86	Nil
1937	1.71	Nil
1936	d1.33	Nil

d—Deficit.

	Plant—After Deprec.	
1943	$ 17,381,801	$ 6,596,585
1942	17,302,128	4,799,962
1941	16,701,365	3,146,332
1940	17,442,053	2,347,994
1939	17,827,592	1,767,043
1938	17,392,609	1,438,024
1937	17,039,615	1,206,377
1936	16,998,926	871,142

	Total Assets	Working Capital
1943	$ 38,064,571	$ 5,964,404
1942	40,033,377	6,533,599
1941	40,402,570	7,862,620
1940	26,917,360	2,353,984
1939	23,435,746	1,490,288
1938	23,527,748	2,874,244
1937	23,063,751	2,782,017
1936	19,564,352	1,788,254

Canadian Vickers

Canadian Vickers Limited operates at Montreal a shipbuilding plant and drydocks, plants for the manufacture of industrial and mining machinery, structural steel, boilers, etc., and an aircraft plant. Controls Montreal Drydocks Co. Limited.

Shipbuilding yards are assured of capacity operations as a result of extensive and increasing government contracts for vessels for the Navy and Mercantile Marine placed in recent years. Aircraft plant has been kept at full operating capacity, and other plants have been fully occupied. Heavy capital expenditures for plant extensions and modernization have been undertaken by the company.

Last year's operating profits, 60 per cent over the preceding year, reflected an all-time high in production activity; due to income tax requirements and renegotiation of contracts, however, net earnings were 80 per cent less than those of the fiscal year ending February 28, 1943.

Announcement was made recently that a substantial stock interest in company, which had been held by Losonac Ltd., a Belgian financial syndicate, had been acquired by Roy M. Wolvin and associates. Mr. Wolvin is active in the shipbuilding industry of Canada, being head of the Port Arthur Shipbuilding Co., the Collingwood Shipbuilding Co., and The Kingston Shipyards.

Years ended Feb. 28	Gross Earnings	Net Earnings
1944	$ 5,622,992	$ 100,691
1943	3,545,888	546,946
1942	4,391,578	800,098
1941	1,262,736	240,907
1940	358,200	d6,827
1939	261,370	d79,598
1938	203,440	d47,531
1937	142,422	d198,358

d—Deficit.

	Fixed Assets less Reserves
1944	$ 3,419,351
1943	3,577,805
1942	3,877,198
1941	3,951,247
1940	4,321,875
1939	4,409,909
1938	4,552,490
1937	4,698,830

(Continued on page 30)

...our men and women are serving with the Forces in all theatres. We are naturally proud of their record of sacrifice and achievement and we look forward to the time when the Company may be strengthened by their return.

— *From the Annual Report, 1944.*

Dominion Textile Company Limited

The Financial Times

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INDUSTRY IN WARTIME

Post-War Plans to Develop Our Great Natural Resources

Funds of Knowledge and Experience Built Up In Dealing With the Mineral, Forest, Waterpower and Other Resources Will Be of Inestimable Value in Reconstruction

By HON. T. A. CRERAR,
Minister of Mines and Resources

DURING the five years that Canada has been at war the Department of Mines and Resources has made a most notable contribution to the country's war effort. Most of the activities of its scientific, research, and technical services have been directed toward problems connected in one way or another with the war and now with the conflict in its final stages some typical instances of the importance of the work of these organizations can be revealed. Plans are already being formulated for playing a large and important part in solving the problems of the post-war period, when the funds of knowledge and experience built up in dealing with the mineral, forest, waterpower and other resources of the Dominion will be of inestimable value in planning and carrying out reconstruction and rehabilitation projects.

Since the outbreak of war the Mines and Geology Branch has been engaged almost entirely in activities of direct war interest. These have ranged from the examination and improvement in the design of ordnance parts to the mapping of oil structures and the administration of special projects in reference to the supply of strategic minerals and petroleum. Through the period much of the work has been in the nature of services to the various war departments and organizations, more especially to the Departments of National Defence (Army, Navy and Air Services) and Munitions and Supply.

It would be difficult to list the services of the Branch in order of their importance to the war effort, but in any such list the work under way in the Physical Metallurgy Laboratories would hold a high place. Practically every fighting machine is made of metal and the work of the staff, which includes trained engineers in almost every branch of science, is designed primarily to ensure that Canada keeps to the forefront in the production of the highest quality equipment. They have been engaged in a great many projects on the development of better war equipment and the improvement of industrial processes and have at their disposal the most modern collection of metallurgical tools and instruments available. The metallurgists in the Laboratories are able not only to examine metal for all of its properties, but to produce any kind of metal or alloy in the cast or forged condition. A miniature model of any industrial metallurgical process can be operated in order to carry out practical research on pilot plant operation. Several illustrations could be given of the value and importance of the work. For instance, some of the first satisfactory armour-piercing projectiles made in Canada were produced in the Laboratories. In 1940 tank track failures occurred in less than 300 miles of travel. In contrast, tank tracks now run over 5,000 miles without failure. This notable improvement is the result of research and development work on the material used for links and pins that was undertaken in the Laboratories in co-operation with the Army Engineering Design Branch.

Exploration and Development

Practically all of the work in these Laboratories is undertaken for use of and in co-operation with the war departments, the Inspection Board of the United Kingdom and Canada, the British Admiralty and Air Commissions, and the manufacturers of war equipment. It had been increasing to such an extent that on the recommendation of a special committee representing the war departments, a new building housing the Laboratories was erected and was occupied late in 1943.

Since early in 1942 the Branch has been administering funds provided from the War Appropriation for "special exploration and development work in connection with the supply of strategic minerals; for the investigation of petroliferous deposits and potential petroliferous areas; for assistance to Provincial Governments in providing transportation into strategic mineral properties; and for assistance to Provincial Governments for the winter maintenance of roads into such properties." In the case of the strategic minerals the funds have been used in the main to provide assistance in the form of loans repayable on a royalty basis out of production, and to finance exploratory work, mainly drilling, and the supervision of such work on various properties. This assistance resulted in the bringing into production of two chromium properties in Quebec, four fluorspar properties in the Madoc area, Ontario, two tungsten properties in Yukon, and one tungsten property in Nova Scotia. In addition, a large part of the geological and other field work of the Branch has been devoted to the investigation of areas believed likely to contain deposits of strategic minerals and until about a year ago most of the test work in its Ore Dressing Laboratories was on these minerals.

Investigating Oil Shales

In reference to petroliferous projects, the funds from the War Appropriation have been used in the main in the investigation of oil shales in Albert and Westmorland counties, New Brunswick, and in an investigation of the bituminous sand deposits of northern Alberta. The former investigation, which was completed some time ago, showed that the over-all grade of the shale is too low to be of economic interest even under present conditions. Investigation of the bituminous sand deposits of Alberta is still under way, a main purpose of the work being to delimit those portions of the deposit that can be considered suitable for commercial development from the viewpoint of size, quality of the sand, and thickness of overburden. Drilling to the extent of several thousand feet has been completed in the Steepbank and Wheeler Island areas and on the Horse River Reserve. Additional drilling is underway in the Steepbank area. Erection of a separation plant was completed a few months ago and a refinery is in the course of erection.

The Branch administers the Explosive Act and the wartime regulatory measures related thereto and in this work it has given chief attention to the inspection of factories manufacturing explosives for war use. Several of these factories have been erected during the past five years and many changes have been approved by the Branch in existing plants to meet the constantly changing requirements of the armed forces.

Space does not permit of more than incidental reference to several of the other activities of importance, among these being the assistance given to prospectors in their search for strategic minerals by publication of a handbook for use as a guide in their search; the series of lectures given by geologists of the Branch to the Prospectors and Developers Association in various Canadian mining centres; the special work of the fuel engineers on the examination and analyses of coals for use in military camps; and the operation of a plant for the production of equipment for the Naval Service in which upwards of 200 persons are employed. Throughout the five years, activities largely reflected the changing conditions of war and matters of the greatest urgency would become less urgent at a later stage when new problems would arise. From about the middle of 1941, for instance, until April, 1943, it was particularly difficult to obtain sufficient supplies of the strategic minerals to meet the requirements, but from then onwards the supply situation has shown a steady improvements. As a result, the work of the Branch on these minerals has become of minor importance.

A Transitional Period

In fact, for the past several months, much of the work has been of a transitional nature in that it is of war as well as of post-war interest; and in view of recent news from the battlefronts increasing emphasis is likely to be given to problems of post-war significance in relation to the mineral industry. Through its research and investigative work and its field activities, the Branch is in close touch with these problems and is frequently in a position to anticipate them. By way of illustration it may be noted that the Branch has been provided with funds by Parliament for the equipping and staffing of a semi-technical scale hydrogenation plant for use in testing heavy petroleum residues, bitumen, and different kinds of Canadian coals as sources of motor and aviation gasoline, Diesel, and other fuel oil. Thus, should it become necessary in the future for Canada to obtain part of its requirements of oil from these sources, the facilities for the necessary experimental work will be available and much of this work will already have been accomplished.

During the past five years in particular and for several years prior to the war, the production of metals and minerals in Canada has been at a much greater rate than the rate of replenishment by discovery of new sources of supply. There are some exceptions, but in the main these rates have been greatly out of balance. In their search for deposits, prospectors and exploration companies will require suitable maps of the areas concerned. It will be largely the task of the Branch to carry out this mapping, both topographical and geological. As yet, it may be noted, only a comparatively small part of the geology of Canada has been mapped in sufficient detail to meet the long term requirements of the industry.

It has been difficult during the war for the mineral industry to keep pace with the demand for its products. After the war it may prove difficult for a time at least to find a market for a large part of the output. Such matters are largely outside the field of endeavour of the Branch, but it can be of assistance through its various investigations of the uses of mineral products and of marketing problems.

Mining in Canada has reached a stage in its development where careful planning involving the full use of the benefits of scientific research will be required to assure the continued expansion of the industry. The Branch is organized and equipped to meet these requirements and will doubtless play even a greater role than in the past in assisting the industry to maintain a rate of expansion commensurate with the high place it holds in the economy of the country.

Many of the principal activities in the areas administered through the Lands, Parks and Forests Branch have been closely associated with the war effort. Construction of the Alaska Highway from Dawson Creek, B.C., through Yukon Territory to Fairbanks, Alaska, and development of the Canol Project in the Northwest Territories and Yukon have produced many problems in local government and in natural resources administration, but these have been solved promptly in the interest of all concerned.

The Alaska Highway

The completion of the Alaska Highway and Canol Project Road has opened up new regions for prospecting and arrangements for the use of these roads by geologists and bona fide prospectors engaged in the search for strategic minerals have been made. The Northwest Territories Administration has facilitated an extensive drilling program in the vicinity of Norman Wells, and royalties on oil produced under the Project have been waived for the duration of the war. Results of the drilling operations to date have exceeded expectations, and potential production is well in excess of 3,000 barrels per day, the rated capacity of the pipeline constructed to convey the oil from Norman Wells, N.W.T., to a refinery at Whitehorse, Yukon Territory.

An important development in the mining industry of the Yukon and Northwest Territories has been the search for scheelite, the ore of tungsten, and other strategic war metals. An area in Yukon Territory was reserved for exploration for scheelite, and funds provided for construction of a road to mining properties in this area. Resultant exploration has disclosed some important ore bodies containing this metal. Action has also been taken to waive assessment work, under certain conditions, on mining claims in the Yukon Territory, in order to stimulate prospecting for strategic and other base metals.

The post-war program in the Yukon and Northwest Territories as visualized will include the erection of new administrative buildings; construction and improvement of roads, trails and portages; improvement of navigation on waterways used by companies engaged in public transportation; construction and improvement of airports and landing fields; extension of services for the protection of forests and game, and the extension of geological, topographical and aerial mapping.

The national parks have made substantial contributions to the war effort. During the first years of the war, when foreign exchange was vitally necessary in order to

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The Financial Times is indebted to "The Industrial Front," a publication of the Department of Munitions and Supply for considerable of the editorial material in this issue.

Manufacturers Prepare for Problems of Peace

Demobilization, Employment, Termination and Re-Negotiation of Contracts, Export Trade and Exchange Control Being Studied

By J. C. MACFARLANE,
President Canadian Manufacturers' Association

THE maintenance of a maximum production of war materials, demobilization and post-war employment, termination of war contracts, re-negotiation of contracts, war and post-war taxation, export trade, export credits insurance, and foreign exchange control are among the subjects to which the Canadian Manufacturers' Association has been devoting attention throughout the current year. The work done on these and other matters is based upon the studies, suggestions and recommendations of the Association's Standing and Special Committees, both National and Local, meeting regularly throughout the year.

Canadian industry has continued in 1944 to keep production up to a high level so that the fighting forces would have the material support they need. It is now gratifying to feel that what has been accomplished in this respect has helped in no small measure to bring the struggle in Europe to the decisive stage it now has reached.

Indeed, the output per capita in Canada compares favorably with that of any of the other United Nations. For the fiscal year ended March 31, 1944, the estimated total value of Canadian war production (including the value of deliveries on orders placed abroad), war construction and capital expenditure, was $3,435,000,000. Approximately a million and a quarter persons have been employed in manufacturing industries in making possible that great output. The aim of Association members is to meet every demand for equipment and supplies in every theatre of war until the last shot is fired and then be ready to tackle the problems which are looming up in the transition and after-war periods.

Manufacturers have been giving intensive study to the entire range of post-war questions arising in connection with the human factor in industry, such as the re-establishment of former employees and the providing of jobs for everybody so far as that objective can be achieved. Unemployment insurance, health insurance and social security generally have come within this category. Special attention has been given to the probable effect, if continued in the after-war months, of the various special measures passed to meet war conditions, such as Government controls of wages and movement of labor, and legislation for collective bargaining and conciliation of industrial disputes.

Termination of War Contracts

Beginning some months ago, the question of termination of war contracts has been receiving continual attention. The Department of Munitions and Supply invited the experience and views of manufacturers and in the subsequent conferences every phase of the subject was gone into. As a result of the work done by a Special Committee whose personnel included representatives of industry and the accounting profession, as well as Department officials working under the supervision of the Minister, the Government in March last issued its Manual of Procedure on Termination of Contracts. It has been intimated that revised editions of that Manual will be issued if and when experience indicates that changes should be made in the procedure. While that publication deals primarily with the relationship between the Department and prime contractors, an outline is also given of the procedure on termination of contracts to be followed by subcontractors, and by prime contractors in dealing with their subcontractors. The Manual however, does not deal with the suspension of M. & S. contracts or terminations based on the default of the contractor.

Another matter to which the Association in its Committee has given considerable attention, is that of taxation. The building up by industries of reserves to make working capital available so that plants everywhere throughout the Dominion may continue to operate and give the maximum of employment, is held by the Association to be necessary. Current taxation rates do not permit industry to accumulate capital by way of profits as would be possible under normal conditions, for post-war conversion, expansion and replacement of obsolescent plant and equipment.

Rowell-Sirois Report

Based upon studies made during the year by its Legislation Committee and drawing attention to the findings in the Rowell-Sirois report and of the James Committee, the annual meeting of the Association in June last recommended:

1. That for taxation purposes, profits should be allowed to be averaged over a period of years, say four years, one year back and two years forward, and that if no provision is made for such averaging in this year's budget, as has already been urged on the Dominion Government, then further action should be taken by the Association.

2. That as already urged on the Dominion Government, a certificate should be issued for the 20% post-war refund in respect to excess profits. Such certificate should be made assignable to successor companies, and provision should be made for dealing with the refund when companies are wound up.

3. That some relief should be given where hardship arises by reason of the combined effects of income tax and succession duties.

4. That the taxes on corporations should be reduced with the ultimate objective of complete abolition as in effect is the case in England.

5. That a system similar to the present Dominion-Provincial tax suspension arrangement should be continued so that there is one collection of income and corporation taxes.

6. That the Dominion Government should impose, or at least collect, all succession duties under some agreed arrangement with the provinces. It was also urged that income tax general rulings should be published and be made available to all taxpayers.

In its legislation following the last Budget the Government has seen fit to adopt to a considerable degree the substance of several of these recommendations.

Financing Export Trade

The financing of export trade has been under review by many members of the Association. Canada now stands third among the trading nations of the world and it is of vital concern, if a healthy economic condition is to be retained in the years following the

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Canada's Fisheries Look To the World's Markets

Following An Important Contribution to the War Effort the Fishing Industry Looks to Export Opportunities — Government's Policy Of Supporting Prices To Be An Important Factor

By HON. E. C. BERTRAND, K.C.,
Minister of Fisheries

IN AN ARTICLE prepared for the special food issue which The Financial Times published a few weeks ago I outlined the main contributions Canada's fishing industry has been making to national war effort and I went on to say that while no one could know just what the postwar trade and economic conditions would be it was certain that much the greater part of the industry's peacetime output would have to find sale in export markets in competition with fish from countries which have been out of production during the war years or at least out of trade.

It will scarcely be necessary now for me to review again the important part the fisheries have played in war effort as suppliers of huge amounts of essential food for the United Nations. Suffice it to add that during the current year the fishing industry is again making a great quantity of canned salmon, canned herring, and frozen fish available to the people of Britain and a great aggregate quantity of salted, pickled and smoked fish to serve other purposes of the United Nations. The canned and frozen fish are being supplied under agreements made between Ottawa and London. The other products are being handled, in part, under a Combined Food Board plan and in part under allocation arrangements made by the Dominion's Food Requirements Committee. In each case the supervision of the undertakings is in the hands of the federal Department of Fisheries.

As I said in my earlier article, the fishing industry has had to meet a far greater demand for its products during the war than it had ever known before. Demand continues on this unprecedented scale. It will be held at high level for some time following the surrender of Germany, with the food needs of liberated European areas a major factor in the demand position. After that? After Japan, too, has been defeated and the period of transition from war to peace has gone by, what then? The question brings us to the field of speculation regarding economic and trading conditions in the new peacetime, but there is so little, as yet, on which to base opinions, as distinguished from guesses, that it may be wisest not to attempt an assessment of the probable situation.

Post-War Protection

Certain steps are possible, however, which are calculated to protect the position of any fishermen in any postwar circumstances and to aid the industry in general. Some of these steps have already been taken or set in motion. Plans have been made for others and necessary funds voted by Parliament. The action of most direct interest to the fishermen has been the passage of legislation designed to support the period of transition from conditions of war to conditions of peaceful trading and to ensure a fair relationship between the return from fishing and the returns from other occupations. We do not intend that the prices the fishermen get for their catches shall be allowed to fall to any such low levels as existed in some prewar years, for example the years from, say, 1932 to 1936 or 1937. It is recognized that perhaps the legislation may prove not to be required but we are not going to be unready should need arise.

Such action as proves necessary will be carried out by a board of five, including representatives of the fishing industry. Board operations will be subject to approval by the Government and for purposes of price-support a fund of $25,000,000 will be available. Just what methods are followed in supporting prices must depend, of course, upon circumstances and various factors, and, for that matter, circumstanes and various factors will determine the cases in which price-support will be given; support might be necessary in the case of some kinds of fish in a particular period and, in the very same period, quite unnecessary in the case of other fish. Different situations arise in different fisheries and, so far as the extension of price support is concerned, the case of each fishery will be decided on its own merits.

Although it is not possible to say today just what methods of operation may be followed tomorrow in extending price-support one method might be for the board to purchase fish at what it determined to be a fair price to the fishermen, if prices which established trade could offer were below that fair level. Under the law the board has power to buy fish, power to buy and power also to sell what is bought or to dispose of it otherwise. Another method of operation would be to make use of "deficiency payments", a device successfully employed by the federal Salt Fish Board in 1939 and 1940 when action was necessary to help the salt fish industry over a time of special difficulty. Briefly, the 'deficiency payment' plan would operate after this fashion in any fishery to which it was applied by the board — the cod fishery, for example: At the end of a selected production or marketing period the board would calculate the average price the fishermen had obtained for their catch during that time, and, by investigation, would determine what price return was actually necessary to enable them to continue in the fishery; then the difference between this latter amount and the average price they had received from sales made through the ordinary channels of trade would be paid them from the board's price-support fund — in other words the deficiency would be met.

Prices to be Supported

Of course, whatever plan was followed would necessarily be qualified by some conditions and reservations, but I need not discuss that side of the matter now except to say that an imperative condition will be that price support will only be given in cases in which the fish concerned are of approved quality. That latter point should be made entirely clear. Fishermen who get assistance under this legislation must produce fish of approved standard. Nobody who tries to get money by selling poor fish will have any help from us, far from it.

For that matter, of course, the department has been laying increasing stress upon quality fish production, generally, in recent years, and we intend to maintain that emphasis and to take what further action may be necessary, by way of regulation and inspection or otherwise, to make it certain that Canadian fisheries products are of uniformly satisfactory standard. In following that course we are serving the interests of the industry, at the same time that we serve the interests of consumers, for it is an elementary fact that in this day and age no food industry can hope to succeed in peacetime trade if its products are not comparable with other foods in quality. If Canada's fishing industry is to get a profitable share of the business of the postwar world its products will have to be consistently as good as the other fellows', at least.

However, if the department is expecting steadily more from the industry in the way of observance of prescribed standards of quality it is also assisting the industry to meet these requirements. It has given assistance of that kind for some years past. In making ready now for the new peacetime we are extending the departmental programme in this regard. Several steps to extend the programme have been under way for some little time. Plans have been made for others.

Financial Aid

With a view to increasing the fishermen's effectiveness of operation financial aid is being given toward the construction of fishing vessels of certain type. Action has been taken to introduce in Atlantic areas a method of fishing not previously used there but proven effective elsewhere and a departmental vessel has been constructed and put in commission for the particular purpose of demonstrating this mode of operation in appropriate localities. Federal fisheries research stations are engaged more intensively than ever upon studies and experiments in connection with fish handling and fish processing and in giving technical advice to the industry as to the application of methods which are most effective in turning out products of satisfactory quality, we are continuing expert instructors in the field in a number of areas to demonstrate to the fishermen how high quality may best be obtained in certain classes of products. Making possible a further extension of fisheries educational work an increased appropriation for this service has been made available to the department by Parliament.

Important Forward Steps

New ground is being broken by the department in setting up in the Prairie Provinces a system of whitefish inspection which will benefit fishermen and consumers alike — the fishermen by enabling them to market their catch under federal certificate of quality and the consumers by giving them greater assurance of obtaining a satisfactory product. Departmental inspection systems are far from new, of course, but the present action may be spoken of as breaking new ground because it is the first step of the kind in connection with freshwater fish. As readers may recall, the Prairie Province fisheries are administered by the respective provincial governments, not by my department, but I am glad to say that we have had cordial and helpful co-operation from all three provincial ministries in planning whitefish inspection. First moves toward establishing the system were made during the past summer and the 'machinery' is expected to be in full operation a few weeks hence. It will be directed by a chief inspector, a federal appointee. Provincial fisheries officers will serve under him as inspectors but in this branch of their work they will be enforcing

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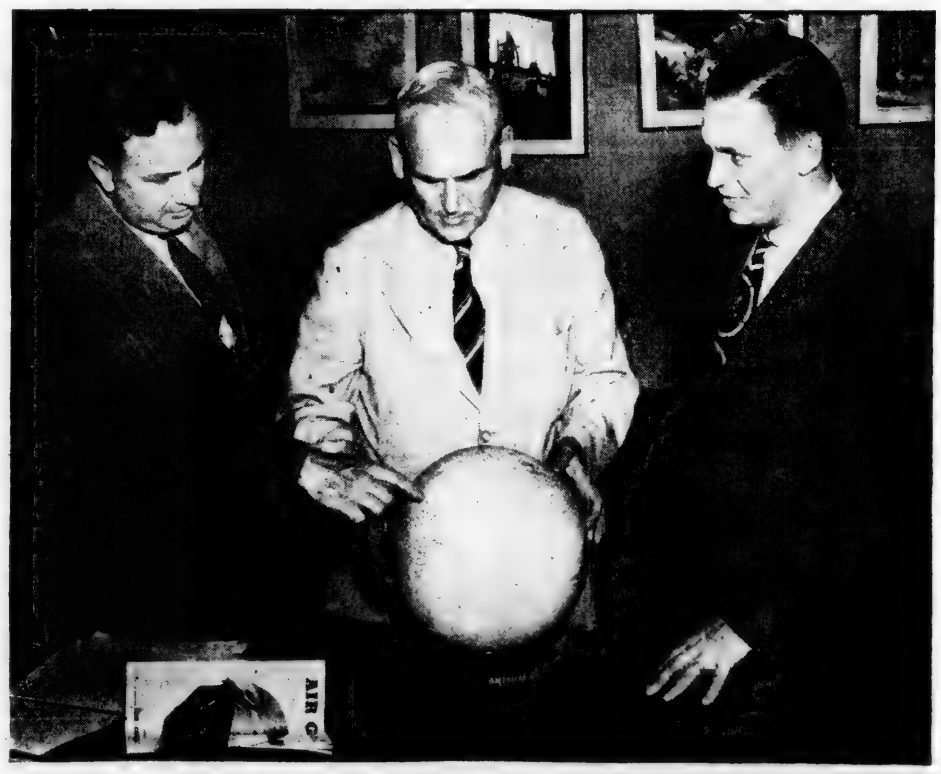
Canada's Place on the Post-War Air Map



Hon. C. D. Howe, Minister of Munitions and Supply, is shown studying Canada's strategic position, on the International post-war Air Routes of the world as illustrated by American Airlines' new Air Globe.

Getting Our Sailors Back To Civil Life

Plans Being Made for Eventual Demobilization When the War Is Won — Educational Process Is Continued Looking to a Civilian Career As Well As Meet Needs of Modern Warfare

By HON. ANGUS L. MACDONALD, K.C.,
Minister of National Defence for Naval Services

GETTING sailors from Ship to Base, from Base to Discharge Centre and from there back to civil life is the job now being lined up by Canada's Navy. While the war is not yet won, nevertheless, without impairing its fighting efficiency, the Royal Canadian Navy is planning for the eventual demobilization which must come.

But the task of fitting the individual for his return to civilian life actually began the moment he joined the Navy. Schoolmasters are attached to training establishments throughout the country where the recruit receives his initial training and they are required to assess the abilities of each recruit, in addition to lecturing and holding discussion groups on current affairs and rehabilitation.

When the recruit proceeds to the naval training base, H.M.C.S. "Cornwallis", in Nova Scotia, he finds that the educational process is continued. Bulletins are posted daily giving the latest news and frequent discussion groups are held to make sure the men under training are keeping themselves well informed on the progress of the war and the affairs of Canada. Regular lectures are given on the background of the war, the place of Canada among the nations and the problems which are likely to arise after the war. Rehabilitation is treated as part of the general picture and is not stressed to the point where the men are likely to become so anxious over problems of return to civilian life that they lose interest in the job of winning the war.

There may be a tendency on the part of some servicemen to feel, in relation to their civilian careers, that the war is just so many years which have been stolen from them. This feeling is not so likely to occur when they are aware that there are opportunities for self-improvement open to them both in the service and after they leave it. Here the Canadian Legion Educational Services provide a valuable supplement to the Navy's own educational program. The C.L.E.S. has as its objectives to provide the technical and academic training required to meet the needs of modern warfare, to prepare the individual for the return to civilian life and to maintain morale through constructive activity.

Aid for University Students

It also helps the state of mind of the university student, whose training has been disrupted by the war, to know that, should he desire to return to his studies, he will receive substantial financial aid to enable him to do so. Men found suitable for vocational training after discharge have the opportunity of taking such training for a period equal to their length of service up to a maximum of 12 months. In this latter case, the Department of Pensions has set the scale of assistance for a single man at $60 a month and for a married man at $80 a month, with additional allowance for children.

At the present time, the small but steady stream of personnel being discharged from the Service is being used to test plans being developed to handle wholesale operations when the axis powers are finally eliminated. Just when this happy day will arrive is anybody's guess, and just how the priorities of demobilization will work cannot be determined until the nature of the forthcoming peace is more clearly understood. Nevertheless, the Navy is sure of one thing — that the war will be over some day, and that day may not be too far away.

Demobilization will mean withdrawing ships from active service when this can safely be done from a security point of view. Once the decision has been made to cut down on the actual strength at sea, it will be necessary to direct such ships as are to be decommissioned to the proper ports where they will be destored, de-ammunitioned and the crews paid off. The crews will then become available for new assignments, as more and more ships are withdrawn from active service, a gradual reduction in the total number of personnel will be possible and such persons as may then be available for disposal will be placed in the discharge stream.

When They are Discharged.

Let us follow one of the dischargees as he leaves his ship at a Base on his way back to civil life. At the Base where the sailor—or Wren—has been ear-marked for discharge, he will go through a Personnel Discharge Bureau where his documents will be collected and any loan clothing or equipment such as respirators, steel helmets, life-saving equipment, etc., will be turned in. At the Base he will be given a thorough medical examination, including an X-ray. If necessary, or on the request of the dischargee, specialists may be consulted. If treatment of a short term nature is required, it will be given at the Base. While awaiting the results of the X-ray, the dischargee collects his pay, arranges for his transportation and any leave which may be due. During this period, the dischargee is given a chance to familiarize himself with the Rehabilitation plans of the Government, if he is not already in possession of this information.

When the dischargee leaves the Base, he goes to one of eighteen discharge centres which are scattered throughout the Dominion. He is normally directed to a centre in the city nearest his home or where he enlisted. If he has any leave coming to him he may take it en route to such centre, or may take it after passing through the complete discharge routine.

On arrival at the discharge centre, he is checked in and the final details of his discharge are completed. He is given a medical recheck—just to make sure that no infectious diseases or injuries have occurred en route from the Base. The Navy makes sure its dischargees are in the best possible health when they leave the Service. After this medical recheck the dischargee is paid up-to-date. At this time he is given $100 to assist him in purchasing civilian clothes, and a Rehabilitation Grant of one month's pay and allowances to help him re-establish himself and family on a civilian basis. He is also given a War Service Gratuity which is based on his length and zone of service. This Gratuity is made payable by virtue of the "War Service Grants Act, 1944" and provides that for every month of service overseas a dischargee is to receive $15 and for every month in Canada $7.50 with an additional amount of 7 days' pay and allowances for every six months overseas.

Finally the dischargee is interviewed by a Personnel Counsellor who discusses his future with him. These Counsellors are specially trained for the work and have a thorough understanding of conditions in the various branches of the Service. They are conversant with the details of the Government's Rehabilitation programme and are thus able to assist those who wish such advice to choose a field of post-war activity for which they are best suited as a result of their pre-war history, their Naval Service experience, their temperament and ability.

In order that the complete record of a dischargee's service may be recorded for and understood by the civilian Rehabilitation Authorities, a form known as the "Service Interview Summary" is completed by the Naval Personnel Counsellor for the information of the Department of Pensions and National Health. This Department is responsible for the administration of the Rehabilitation Programme and the dischargee is directed to its representative, the Veterans' Welfare Officer. This Officer then puts him in touch with one of the agencies which will handle his rehabilitation, or if an immediate job is required, he is referred to the Veterans' Placement Officer of the Department of Labour.

The dischargee is now out of the Naval Service, but the Government has not lost interest in him. At any time he may return to the Veterans' Welfare Officer for additional help in planning his post-war life. If he is sick, he may receive free medical care and if incapacitated during the first year after discharge may receive free hospitalization with out-of-work benefits. If for any reason he finds himself without employment, he is eligible for out-of-work benefits or Unemployment Insurance.

Rehabilitation Programme

In order that all Naval personnel may be fully informed of the provisions of the Rehabilitation Program of the Government, Rehabilitation Officers have been appointed in each of the Commands to outline the various schemes available and to discuss them with Naval Personnel. A booklet, "Back to Civil Life" has been prepared which outlines this program and this forms the basis of talks given by the Rehabilitation officers. Copies of this booklet are being distributed to every member of the Armed Forces so that by the time demobilization does take place, all Naval Personnel will have a concrete idea of what schemes are available for them.

However, it is felt that in addition, if time permits, a more personalized type of information must be given. To this end a program of vocational guidance is being undertaken. Carefully trained vocational guidance experts are being made available so that personnel who have specific problems to discuss concerning their future may obtain sound advice. The vocational guidance program is being developed by the Director of Personnel Selection and will integrate the activities of the Directorates of Naval Education, Demobilization, the Mechanical Training Establishments and the civilian training facilities to be available in the post-discharge period.

Thus, the Canadian Navy is planning to prepare its men and women for the peace. When the time comes, it is anticipated that a smooth-working demobilization machine will enable personnel to return to their homes with a minimum amount of delay and confusion and with a firm grasp of the possibilities which await them in their new life.

World Wholesale Price Movements

Wholesale price index numbers for most countries recorded small advances in the first half of 1944 usually not exceeding 2 p.c.; somewhat larger increases in Mexico and Argentina provided the principal exceptions to this statement. The relative stability of price levels in Canada, the United Kingdom and the United States offered a contrast to their behaviour in the first half of 1919. The termination of war in 1918 was followed by a mild depression in commodity markets. This continued well into 1919 before the final inflationary phase which reached a climax about the middle of 1920.

The United States Bureau of Labor wholesale index in the first half of 1944 advanced again following a gradual decline in the latter part of 1943; fractional gains were recorded in each of the first six months of 1944, and the June index of 104.3 (1926=100) was 0.2 p.c. above the preceding wartime high of May, 1943. The June, 1944 index, was 39.1 p.c. above the corresponding August, 1939 level.

The Canadian index of wholesale prices continued to make slight advances in the first quarter of 1944, but these were lost in the second quarter. The June index of all wholesale prices showed a wartime increase of 41.8 p.c. with the corresponding rise in Canadian farm product wholesale prices amounting to 74.7 p.c.

The rise in wholesale prices in Mexico accelerated in 1944, following short crops in 1943, and a rising tendency in wages. In March, 1944, provision was made for the import and distribution of commodities in short supply, including corn, wheat, lard and sugar. The Bank of Mexico wholesale index advanced 14.5 p.c. in the first half of 1944, and has increased 78.1 p.c. since the outbreak of war.

In Argentina, a 4 p.c. ise in the wholesale price index in the first half of 1944 followed a temporary check subsequent to price control measures established in the middle of 1943.

The United Kingdom Board of Trade index rose 1.7 p.c. in a steady advance between December, 1943, and May, 1944, and remained stationary in June. Lower food prices were outweighed by increases in all groups of industrial materials and manufactures, the most substantial being in coal and cotton prices.

Since the end of 1942 the Swiss index has shown only a moderate increase compared with that of earlier war years; between December, 1943, and April, 1944, a rise of 1.4 p.c. was recorded. Comparative stability is also shown by index numbers for Sweden, in the latter part of 1943 and the early months of 1944.

The index of wholesale prices in Cairo, Egypt, remained unchanged from February to April of 1944, but rose 4 points in May to a level 212 p.c. above August, 1939. A conference held in Cairo in April, 1944, by eleven countries of the Near and Middle East, considered the problem of absorbing purchasing power created by Allied expenditure in these countries. So far, the principal offsets have been sales of precious metals and offers of government bonds. In Egypt an approach to the problem of food supply has been made in 1944 by converting to food production more than a million acres formerly used to grow cotton.

There was little change in the Calcutta wholesale price index for India during the first half of 1944. The June index was only 0.7 p.c. below December, 1943, although still 14 p.c. below the peak of September of last year. To June, 1944, the wartime increase in wholesale prices was almost 200 p.c. In 1944 the economic situation has been eased by better crops and distribution control. Rationing of rice, wheat and sugar exists in more than fifty cities and towns and is being extended to rural areas.

Wholesale index numbers for Australia showed small deviations from levels reached early in 1943. The New Zealand series which has recorded a fairly persistent rise throughout the wartime period, recorded no net change between December, 1943, and May, 1944. Lower prices for vegetable foodstuffs counter-balanced increases in other groups. The South African index advanced only 0.9 p.c. between December and May, as compared with 4.6 p.c. since June, 1943.

BRITISH COLUMBIA

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THE GOVERNMENT OF THE PROVINCE OF BRITISH COLUMBIA

PARLIAMENT BUILDINGS VICTORIA, B. C.

Post-War Plans to Develop Our Great Natural Resources

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finance purchases in the United States, the national parks were an important factor in attracting tourist expenditures to this country. During the whole war period they have contributed to the health and morale of the Canadian people. Notwithstanding the restrictions on travel, some of the parks have been crowded as never before, with this attendance made up almost entirely of Canadians, except for members of the Armed Forces from other Commonwealth and allied nations.

An important activity brought about by the war has been employment of conscientious objectors in the National Parks. During the fiscal year ended March 31, 1944, approximately 500 men reported for such duties in Banff, Kootenay, Jasper, Prince Albert, and Riding Mountain National Parks. Some of the work performed included the construction of fire trails and telephone lines, improvement of secondary roads, preparation of guard rails, fence posts, and telephone posts, and improvement of public campgrounds.

The National Parks have also served as proving grounds for technical experiments carried out as a part of the war effort. With the co-operation of Park officials, tests were made in the vicinity of the Columbia Ice-field in Banff Park of United States Army motorized equipment specially designed for use under extreme winter conditions.

In the summer of 1943, the Alpine Club of Canada undertook a course in mountaineering for members of the armed forces, which was successfully carried out with the assistance of experienced club members in Yoho National Park, British Columbia. The syllabus included alpine climbing instruction in various phases, and the use of skis in mountain terrain.

National Parks in Peace Time

It is confidently expected that with the return of peace the demands upon the facilities provided by the national parks will be greater than ever, and consideration has already been given to developments within the parks which will enable them to meet the pressure of the post-war tourist trade. These will include: better arterial and secondary highways leading to National Parks; improved highways within the parks; cheaper accommodation available to those of low incomes; modern sanitary facilities and other conveniences; secondary roads, foot and horse trails, in order to render points of special interest readily accessible; improved fire and game protection to meet increased dangers from heavier and more widespread use of National Parks.

By these means not only will provision be made for accommodating larger numbers in the parks, particularly vacationists from Canadian farms and industries and others usually grouped as being within the lower income brackets, but a substantial amount of employment will be provided in the immediate post-war years which will enhance the value of these national assets of the Dominion.

There has been no slackening in the heavy demand for the products of Canada's forests and forest industries. In spite of many difficulties, chief of which has been the shortage of experienced labour, the forest industries have managed to maintain production at high levels. The output of sawn lumber in 1944 is expected to equal the average for the past five years, and the production of newsprint paper during the first six months of this year was slightly above that of the corresponding period a year ago. Nevertheless, it is still necessary to maintain strict control of exports in order to ensure that available supplies are used to the best possible advantage in the war effort of the United Nations; and domestic civilian consumption of many forest products must still be subjected to severe restrictions. The Forest Service has continued to extend close co-operation to the Timber Controller, particularly in connection with the wood fuel situation.

Camps for prisoners of war and alternative service workers were in operation on the Acadia, Petawawa and Kananaskis Forest Experiment Stations. Plans for the constructive employment of prisoners and conscientious objectors were drawn up by the Superintendents of the stations, and all work was directed and supervised by the station staff. Activities covered a wide range, including cutting fuelwood, pulpwood, sawlogs, and mine timbers, construction and maintenance of roads, bridges, and telephone lines, building of fire lines, improvement cuttings, nursery work, planting, and silvicultural work generally. Much of the work done will be of permanent value in the post-war period. In addition to the work on the experiment stations, the Service extended co-operation in planning forestry work for camps established in other parts of the Dominion.

Forestry Research

The outbreak of war found the three divisions of the Forest Products Laboratories, situated in Montreal (Pulp and Paper Research Institute), Ottawa and Vancouver, favourably situated, both as to technical personnel and as to specialized equipment, to supply advice, assistance, and active co-operation in various fields of war activity. Immediately after Canada entered the conflict, advantage was taken of this situation to secure information and assistance in a wide variety of problems confronting the armed services and the industries supplying their needs. This work was continued at an increasing tempo, until, for the past three and a half years, practically the entire activities of the Laboratories have been devoted to the war effort.

A few of the many and varied problems dealt with by the Laboratories are worthy of mention. The onset of war immediately created a tremendous demand for wood and wood products, a demand complicated by the fact that many of the species involved were not available, or were in short supply, as a result of the exigencies of war. In these case, the Laboratories were able to advise as to which of the available species would be most satisfactory as substitutes and the wider knowledge of certain native species thus forced on the notice of industry will undoubtedly react to the advantage of Canada's forest industries after the war. Another field lay in the use of wood as substitute for steel and other materials needed for strategic purposes: in this connection the extensive use of veneer and plywood construction with various synthetic bonding agents gave rise to a great variety of problems in which the Laboratories were enabled to be of material assistance both to the war departments and to the industries concerned. This is another case where lessons learned as part of the bitter fruits of war will play a tremendous part in the peaceful world to come.

The transport of munitions and supplies brought up a variety of packaging problems, practically all of which involved in one way or another the use of wood or wood products. This was a field in which the Laboratories had many years' of pre-war experience to draw on, and as a result they have been able to provide specifications for containers which, in many cases, provided a superior product with marked economy of material.

Other activities of the Laboratories which might be mentioned are the investigation of producer-gas as a substitute for gasoline in motor vehicles, study of production of industrial alcohol from wood waste, and the testing, both for government departments and for private industry, of many thousands of samples of materials, in both the wood and the metal-working trades.

Extensive Surveys Made

A wide range of survey, engineering, and scientific operations connected with the war was undertaken by the Surveys and Engineering Branch on the outbreak of hostilities in September, 1939, and the various services of the Branch are still busily engaged in wartime activities and in planning for post-war undertakings.

Construction projects resulting from the war, from Newfoundland to the Pacific Coast, have been organized and supervised. These include the establishment and operation of work camps in Ontario and Saskatchewan, where conscientious objectors to military service have been employed on road construction; the establishment and operation of highway construction camps in Ontario and British Columbia for the employment of Japanese removed from the coastal areas of British Columbia, and the construction, for national defence purposes, of 110 miles of highway to connect Prince Rupert with Hazelton and the British Columbia road system. Previously Prince Rupert had no highway connection with the interior of the province. In Newfoundland road location surveys, plans, profiles, bridge designs and estimates of cost were made at the request of the Royal Canadian Air Force for a highway to supplement rail communication between Gander Lake Airport, Lewisport, and Bishop's Falls. In addition special work projects of a research nature were undertaken.

Many hydrographic surveying operations requested by the Navy, Army, and Air Forces have been carried out. These included special charting of many harbours and other strategic areas on both coasts; surveys for anti-submarine and anti-torpedo defence; surveys for harbour defence mine-fields, degaussing ranges, and seaplane bases; preparation of range-finder data, and the printing and supplying of thousands of navigation charts and hundreds of Sailing Directions and Tide Tables.

Two hundred and six air navigation charts, and 86 plotting charts of North America have been prepared and printed and 25 plotting charts of Europe have been reproduced for the Royal Canadian Air Force. Charts for the British Admiralty including charts of the North and South Atlantic, North and South Pacific, Newfoundland, Greenland, Iceland, Scotland, Barents Sea, North Sea, Irish Channel, and the English Channel have been published. Many other special maps for war purposes were prepared and printed. The total number of map and chart sheets published for war purposes has been approximately 7,000,000.

Survey data for Canada and Newfoundland required in the preparation of maps have been supplied. Special technical investigations have been carried out with regard to range-finding and in particular on the effect of meteorological conditions at Halifax and Victoria upon the accuracy of depression range-finders. A special report was made on trans-polar aerial navigation. Astronomical observations of the most refined accuracy required in connection with secret radio operations on the Atlantic Coast have been made. The geographical position of many stations in Northern Canada from Quebec to Yukon Territory have also been determined for use in connection with mapping being done for the Royal Canadian Air Force.

Hydro-Power Resources

An inventory of hydro-electric power sources available for war purposes was supplied to the Departments responsible for munitions production and also the data relative to power which would be readily developed. Almost every phase of Canada's great war production is dependent upon the utilization of water power which provides more than 98 per cent of all electricit, generated in Canada. At the outbreak of the war Canada's hydro-electric installation totalled 8,289,000 horse-power and more than 1,900,000 horse-power has been added since that time. The basic data upon which economically successful hydraulic development depends are derived from the operation of 600 hydrometric stations on rivers from coast to coast.

An accurate time service for Canada both by wire and radio has been supplied, precise magnetic elements for aerial and naval navigation charts have been determined, and magnetic charts of the polar regions in connection with investigations into the problems of trans-polar navigation have been prepared. Instruments and equipment of various types were tested and adjusted for the Naval and Air Services, and lectures in astronomy were given to classes from the Royal Canadian Air Force.

Some time ago the Surveys and Engineering Branch prepared a fairly extensive program of post-war planning operations. This program was designed to have field surveys and investigations made and plans, estimates and specifications prepared for a considerable number of 100 per cent Federal Government projects, of such total magnitude as would afford a considerable volume of employment in the immediate post-war period. The necessary field surveys and investigations have been underway since June.

Field surveys are being made of highways that are to be widened, improved, and surfaced, and location surveys of new highways, and bridge sites where new bridges are required, all in National Park areas, are being undertaken.

A number of new hydrometric stations are being established in the Prairie Provinces to obtain stream measurements required under the Prairie Farm Rehabilitation Act by the Department of Agriculture in planning post-war rehabilitation work. Gauging stations in the vicinity of the Alaska Military Highway are also being established for flow measurements on the main streams, collecting data on drainage areas, and securing other data required for estimating water-power possibilities.

Plans are being made for the establishment of geophysical observatories on Chesterfield Inlet and in Labrador for the observations of terrestrial magnetism, atmospheric electricity, and earth currents. Such data will be of the greatest importance in the development of aerial navigation in Northern Canada and the polar regions generally.

Immigration and Repatriation

The movement of immigrants has been severely restricted by war conditions and consequently only a few thousands are admitted annually for permanent residence in Canada. However, the Immigration Branch has been called upon to administer various measures for the control of travel to and from the Dominion. These included regulations governing the crossing of the United-States-Canada border by Canadian citizens and the exit of women and children from Canada to any overseas country by an exit permit.

The Government's decision to provide ocean and rail transportation for the repatriation of dependents of Canadian personnel overseas and activities connected with the transfer to Canada in the summer of 1940 of approximately 6,000 British children and many hundreds of British mothers continued to involve considerable administrative work. The admission or passage through Canada of groups of persons was a matter which required attention by the officers of the Branch, details of which can not be made public at the present time.

In accordance with the policy of granting asylum to refugees from Allied Countries who have succeeded in making their way to Unoccupied France, Portugal and Spain, an Immigration officer was sent to Lisbon, Portugal, in November, 1943, to examine refugee families in the Iberian Peninsula. Following this action about 140 families have been brought to Canada for the duration of the war, they being destined to Canadian organizations that have accepted responsibility for their reception and maintenance.

World Cost Of Living Rises

Ottawa—Index numbers of living costs in the first half of 1944 continued to rise in most countries. The rate of increase was generally moderate, except in certain countries of Latin America and in Iceland. The United States Bureau of Labor Index of living costs has shown only fractional changes since the early summer of 1943. Food prices in June, 1944, averaged 4.4 per cent below June, 1943, a contrast to the rate of increase during the preceding year when food prices had risen 15.2 per cent. Declines in food prices since June, 1943, have been offset by a rise in the homefurnishings index which advanced 8.2 per cent in the first half of 1944.

Throughout the first half of 1944 the Canadian cost of living index remained fractionally below the levels reached in the last four months of 1943. The June, 1944, index was 0.3 per cent below that of December, 1943, although still 0.4 per cent higher than in June, 1943. The Ministry of Labour index for the United Kingdom rose 0.5 per cent in February influenced by higher coal prices, and remained at that level through June. Levels of food, rent and miscellaneous items remained unchanged.

The Mexican cost of living index continued an advance which has been unbroken since the end of 1942. It increased 16 per cent in the first half of 1944, due in large measure to a 21 per cent increase for foods. A new series for Peru also showed an accelerated rate of increase of 9.5 per cent between December and June, as compared with 15.3 per cent for the year ending June, 1944.

In Reykjavik, Iceland, living costs after declining sharply in the first half of 1943, have risen again steadily since then. There was a 3.5 per cent increase in the first half of 1944, but the June, 1944, index was still 1.5 per cent below the December, 1942, peak.

Quarterly cost of living index numbers for Australia, which had recorded their first wartime declines in the second half of 1943, rose only 0.2 per cent in the first half of 1944. The South African official series rose in a more marked degree in this period with an increase of 2.4 per cent between December, 1943 and May, 1944.

Farm Woodlot Factor In Paper Production

Ottawa—Th farm woodlots help in Canada's huge production of paper, because coniferous woods at the present time are the chief papermaking material in Canada and in the world, ninety per cent of the total production coming from wood, mostly coniferous. Rags, esparto grass, straw, bamboo, sabai grass, old ropes, fibres, and waste paper make up the remaining material.

No other country in the British Commonwealth of Nations, apart from Newfoundland, approaches Canada in importance as a source of wood pulp for paper.

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War to the Last Day On the Flying Fronts

Signs of Early Victory Encouraging But The Effort Must Be Maintained to the End — Air Forces Have Been Encouraged to Fit Themselves for Civilian Life After the War

By HON. C. G. POWER, K.C., M.C.,
Minister of National Defence for Air

YOU HAVE asked about the current activities of the Dept. of National Defence for Air. The answer, as it has been at any time these last five years, is that, first and foremost, we are helping to fight a war. The duration of that war is any man's guess. The most that has come authoritatively is General Montgomery's statement that, on the European side, the end is in sight. As for the Pacific, we have Admiral Nimitz's assurance that an invasion of Japan may not be necessary before the enemy's capitulation.

But, in the face of these comforting words, it is well to remember that for the man on the forward airfields, the war must remain a day-to-day business until its last hour. With this day's hazardous mission completed, he can have no knowledge of tomorrow's task until the time of briefing; and, as for the ensuing days' operations, his participation in them is predicated upon the uncertain chance of his personal survival.

Front-line combat is not conducive to the long-range view. The present is only reality. As with the individual, so with the squadron, wing and group, all the way up through the chain of command. Strategy is forever subject to change because of immediate developments, and to the end of the war must be fought as if it would last forever. Here in Ottawa, the reinforcement, equipment and well-being of our men must be of prime concern. Fortunately, we are far enough from the scene to be able to accept post-war planning in behalf of our troops as the greatest of our secondary tasks.

Hence, in any review of R.C.A.F. activities, I would mention first the achievements of our squadrons and individual airmen overseas. The period between D-Day and the present has seen the R.C.A.F's contribution in actual combat reach the highest level in our history. Canadian squadrons participated in every phase of the great operation, softening up the invasion coast before D-Day, mapping it photographically for the ground troops, providing air coverage for the move across the Channel, bombing front-line tactical and distant strategic objectives as our armies advanced, striking at the enemy's coastal shipping and helping destroy the few of his aircraft which ventured over our lines by day and night. Meanwhile our squadrons were also bearing their share of the defence of Britain against flying bombs by direct attacks upon them and by bombing the launching platforms.

Spitfires at Work

Our Spitfire squadrons alone had destroyed nearly 250 enemy aircraft between D-Day and the end of August. Our night-fighter squadrons, which had relatively few opportunities to meet the enemy prior to the invasion, raised their total score to well over 100 aircraft for the year, the great majority of them destroyed during the same period. Our Intruders have maintained that constant harassing of the enemy's positions which has placed the R.C.A.F. City of Edmonton squadron at the very head of the list of such units. In this work they have been joined during recent months by the Typhoons of our fighter-bomber squadrons which have strikingly proved their worth overseas as they had already done in our home war establishment. Our Photo Reconnaissance squadrons, hedge-hopping over enemy territory on their important and hazardous missions, have provided many thousands of pictures covering every detail of future battlefields.

Medium bomber squadrons of the 2nd Tactical Air Force contain a high percentage of Canadians, though none is designated as an R.C.A.F. unit. It is among the heavy strategic bombers that the Canadian participation reaches its highest. As long ago as June, 1942, we were able to report that more than 1000 R.C.A.F. aircrew participated in a single night's operation against Germany. Recently, we have been able to say that 1000 aircrew from the Canadian Bomber Group alone took part in one raid. Many others, of course, flew with squadrons of the several other bomber groups operating from the United Kingdom.

Our Coastal squadrons, too, have had very signal recent successes. The score of U-boats sunk by our flying boat squadrons is impressive and it was a predominantly Canadian crew which recently made history by sinking two U-boats in the space of 22 minutes. We were able to reveal that a R.C.A.F. Beaufighter squadron, which has been making constant and effective strikes at enemy shipping over a period of years, has been equipped with rocket projectiles for much of this period. Others of our coastal squadrons have waged constant war upon E-boats and other light-enemy craft.

It should be remembered also that some of our squadrons remain far afield. A Spitfire squadron in Italy, recently equipped for bombing, has figured in the Allied air support of Marshal Tito of Jugoslavia. A flying boat squadron continues to operate in South East Asia, a theatre where there are already many other Canadian aircrews and where many more may be expected to be stationed in the future.

Home Menace Remote

We are fortunate in having been able to curtail our operations at home as the menace to Canada has become more remote. A number of our squadrons were transferred bodily to active theatres, but other formations remain usefully engaged upon such tasks as coastal patrol, the mapping of vast areas of the North West, the delivery of mail to our Overseas troops and the operation of transport lines to strategic areas untouched by the commercial airlines. It should be mentioned also that our engineering and air medical research division in Canada continue to make contributions of the first order in their specialized branches.

Then, too, the great training plan remains in operation. I have already mentioned that the provision of reinforcements, both actual and potential, must remain a prior consideration. At the moment, our reserves of trained aircrew, and of young men awaiting training, are so great that we have been able to suspend recruiting. There are two causes for this situation and both give every reason for profound satisfaction. The first is that the production of the training plan ran well beyond the most optimistic estimates. The second is that, thanks to the high quality of training and to the increasing excellence of the aircraft with which our men are equipped, casualties in combat have been far below what had been expected. So as it stands we have been able to stop up for the present our intake of volunteers and at the same time, by economies in training, close a number of our schools. It can safely be said that whether the rest of the war runs its expected course we are in a position to meet any demands that may be made upon us.

Preparing for Peace

You have asked specifically about our preparation for peace and rehabilitation of our troops. While the greater part of this vital task is the responsibility of departments other than my own, it is obvious that no branch of the government can disassociate itself from the problem. The first phase of our own efforts has been to encourage all our personnel to fit themselves for civilian life after the war. Fortunately, this process began long before we could spare much thought about a remote peace. To raise their educational standard to aircrew demands, we passed 26,000 young men through emergency schools. Moreover, 7,000 French-Canadians have graduated from the R.C.A.F. School of English; 12,000 ground crew have improved their educational standing and have re-mustered to aircrew, and 13,000 airmen and airwomen have enrolled in Trade Improvement classes. Through the activities of our Educational Branch over 10,000 of our personnel have been registered with correspondence departments of High Schools and Universities, while less academic educational facilities have been constantly provided on stations here and overseas. As a result, it can be expected that Canada will reap a rich reward for these activities in the improved level of technical and general education of a considerable number of young men and women.

For the specific reinstatement of our personnel in civilian life, we have created under Group Captain S. N. F. Chant a branch whose task it is to weigh an individual's qualifications and potentialities and to steer him towards productive and remunerative positions. Trained personnel counsellors of this branch are already on duty throughout the whole territory where the R.C.A.F. operates.

Coupled with these endeavours, is our approach to the problem of demobilization. A newly-created branch has laid down plans whereby the discharge of our troops will be accomplished in an orderly fashion, without undue delay and with a maximum of fairness to each classification of our personnel.

I am well aware that the post-war problem will be a very great one, no matter how effective may be the plans laid down by my own department and by those who must assume a much greater part of the responsibility. Generally speaking, our personnel are considerably younger than those in the other Armed Services. Many of them came to us directly from High School and since their enlistment have been engaged in duties which can contribute little directly to their post-war careers. It is difficult to see for what civilian job the training and operation of a Spitfire pilot will fit him. As for bomber, coastal and transport aircrew, while their work has far more in common with civilian air operation, nobody can suppose that more than a small fraction of their numbers will find openings in commercial air lines after the war. We are doing what we can to train some of our repatriated aircrew in the specialized aspects of civilian airline flying; but our efforts in that direction are necessarily limited. Offhand it would seem that the technical training possessed by ground crew and radio mechanics will be of far more lasting value to them.

That these young aircrew have gained nothing during their period of their service beyond their own satisfaction in that service, I would, however, emphatically deny. To potential employers I would say that the R.C.A.F. undoubtedly attracted a basically superior type of young man and that his service has matured him rapidly. He has learned the utmost in self-reliance, in co-operation with others and, in many cases, in the art of command. I am certain that these qualifications, gained at the risk of life in service to his country, will make him of far greater value in whatever civilian calling may fall to his lot after the war.

To Normalize the War Economy

By E. S. BATES

THE QUESTION as to how far to the left Canadian political policy will swing during the next decade is one on which each and all of us are free and ready to speculate. That the trend is and will continue towards liberalization of the political system is taken for granted.

Return to the status quo of immediate pre-war political and economic policy, is generally believed to be impossible. Developments of the war economy have changed all that. In fact, the swing to the left, to extreme socialism, is likely to depend largely upon how decisively repetition of the reactionary period following the last great war is avoided.

It is difficult in the current turmoil of provincial elections and with a general election in early prospect to gauge the present situation. The many controversial issues involved, like "conscription" in the Quebec election fight, tend to obscure the real issue. All the main political parties have adopted more or less radical platforms, and by fall the public will should be fairly well defined. Moreover, the Presidential elections in the United States shall have been decided, with consequential bearing on Canadian conditions. Some form of international agreement on monetary and commercial arrangements should have been reached. In other words, the political atmosphere should be cleared during the next six months, and with it the national political and commercial policy for the approaching reconversion and reconstruction period.

* * *

It is the utmost folly to dismiss this radical trend either with complacency or with unctuous declamation against socialism. There is certainly no present excuse for complacency. Those who do not recognize the processes of change through which this nation is passing will simply be engulfed in post-war competition and the liberalization of all public relations. Progress is merely passing them by.

To those who are rhetorically declaiming against socialism, classifying all liberals and progressives as socialists, it can be said now quite definitely that the public mind is becoming fairly clear on the distinction between special privilege with its bastions of legal defence, and responsible private enterprise with its personal rather than corporate responsibilities. The real issue of future Canadian political policy is being fought today among the majority of thinking Canadians on (1) the rigid control of special privilege and regulation of monopolies, and (2) the private and personal responsibility of corporate directors. The swing to the left depends largely upon how clearly and unhampered by such issues as "conscription" the electorate can be made to declare its voice at the polls during the coming months. The danger lies, not in permitting full and complete freedom of voice, but in obscuring the real issues.

One of the most significant and constructive features of the present lies in the growing recognition of these conditions by political and economic leaders, whose name is becoming legion and who are burdened with the chief responsibility for carrying on during the reconversion and reconstruction period. They are endeavoring to compromise radicalism with reality, to compose progress with the basic political and economic institutions of the nation.

What most of us fail to realize fully, and what the public has little opportunity of understanding, is the abnormality of the current national war economy. Canada has undergone a relatively stupendous industrial revolution since the Fall of 1939. No nation has undergone greater relative to population. The same can be said in the realm of finance. Surely there can be no return to pre-war standards here? But this Nation does not require a national socialist policy to reconvert these conditions to peacetime prosperity and production. Private enterprise has progressed in cooperation with government to establish and maintain the war economy. The same combination can successfully carry through reconversion, and reconstruction. The Socialist Party program can only add to the burden and complexity of post-war conditions without benefitting the public welfare.

In order to meet successfully these abnormal post-war conditions, in which debt and taxation, credit and finance, industry and production, and all the material evidence of modern conditions are on a tremendously greater scale than ever before, Canada must have sound, stable Government. National economic and financial stability is a pre-requisite. The problem will be to normalize the abnormal, to maintain an expanding economy, to compose social progress in the national structure, not to add to the complexities of national administration by socializing industry and finance and thereby setting up the framework of a totally new system of socialistic or fascistic bureaucracy.

◆ ◆ ◆

The system crystallized in the Canadian war ecenomy is one of socialized capitalism designed to encourage personal and corporate initiative and, at the same time, to control speculative and monopoly enterprise. The entire capitalist system has been virtually revolutionized during the war years. Much will depend in the future upon what has been termed "the new world system of cooperation" expected to emerge out of the international monetary and commercial conferences almost continuously in session.

Canada's economic position was never stronger that it is today. Debt and taxation have soared, but the debt is largely internal and national income has grown so great that the net burden of debt is lighter than in any preceding period. More people in Canada have adequate incomes than ever before.

The main job is to normalize, not revolutionize, the war economy.

The Financial Times reaches a class of people who are interested in and able to buy investment securities.

See Shift In Sources Of Metallic Minerals

Aluminium, iron and magnesium will be principally relied upon for the metallics of the long-range future, in the opinion of the American Chemical Society. In a recent report it pointed out that mineral deposits are undergoing alarming depletion to meet the voracious demands of war. Aluminium, iron and magnesium are the only truly abundant structural metals in the earth's crust, which leads to an obvious conclusion.

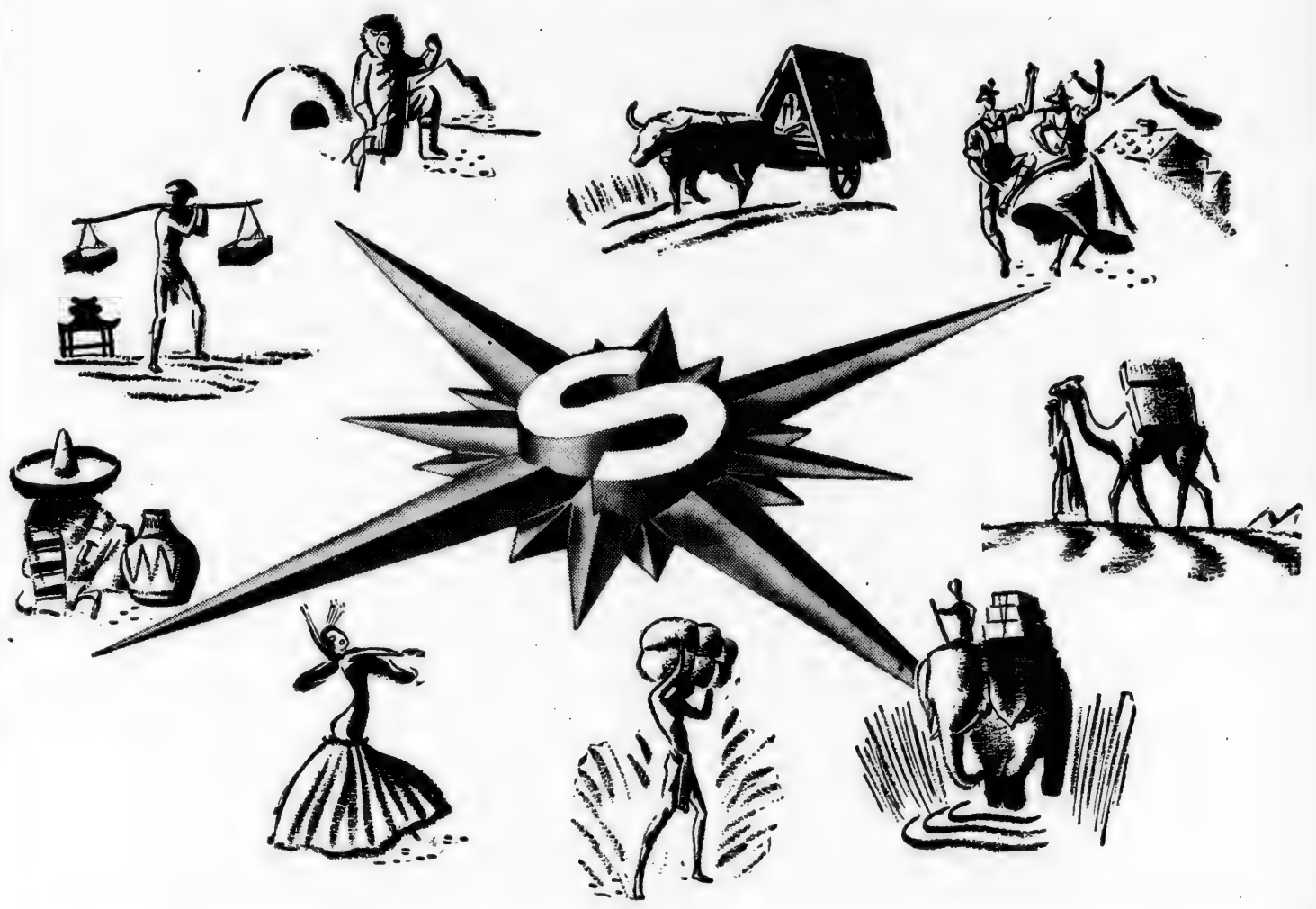
The society states that methods of recovering aluminium from clays and iron from low-grade ore must be developed to practical applicability as the richer deposits become exhausted. There are, of course, tremendous quantities of rock in the earth's crust from which magnesium can be extracted. It can also be extracted from seawater.

It can be assumed, of course, that even if the current tremendous demand for metals continues for years, the shift from high-grade to low-grade sources of metallic minerals will be a gradual one. Canada's copper resources, for example, are still enormous and the iron deposits at Steep Rock Lake promise to be very large.

LIVESTOCK RECEIPTS UP

Live stock receipts at the two Montreal stock yards for the first seven months of the years are reported as follows: Point St. Charles Yards: Cattle 44,224 head(compared with 34,360 in the seven months of last year); calves 103,776 (101,549); hogs 169,444 (100,057); sheep 17,170 (25,547); and horses 3,432 (6,813). At the East End Yards: Cattle 17,417 (14,336); calves 18,072 (15,936); hogs 40,867 (15,322); sheep 1,961 (2,821) and horses 16,301 (14,880).

They don't get "Light Bills"



but they are "Shawinigan" customers

◆ The "Shawinigan" company is more than a public utility—more than an "electric light company." When you flick a switch to turn on a light—run a vacuum cleaner—start a washing machine—or any one of the things that makes for better living—think that the same power operates one of the great industries of this continent, "Shawinigan Chemicals".

Of "Shawinigan Power" was born "Shawinigan Chemicals"—a company which is playing an indispensable role in the production of vital war materials and which will play an important part in helping build for Canada, and the Province of Quebec, a better tomorrow.

The products of Shawinigan Chemicals are employed in practically every country in the world, outside those dominated by Axis powers. The large share of production goes to Britain, but amongst other customers are Sierra Leone, Palestine, Greenland, Russia, India, Iceland, Iran, Algiers, Ceylon, South Africa, the West Indies, practically every country in Central and South America and, of course, the United States.

These nations are all customers of "Shawinigan"—but they don't get "light bills". So when next you receive your bill, think of "Shawinigan" as something more than an "Electric Light Company"—think of its initiative and enterprise in creating this great new industry, Shawinigan Chemicals, which has brought prosperity and fame to the St. Maurice Valley and all Quebec.

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Beating War Output Swords Into Plough-Shares of Peace

Industrial Organization Must Be Reconverted To Production for Civil Use and Consumption — A Million Men and Women Now In Armed Forces Must Be Returned to Civil Life

By HON. IAN A. MACKENZIE,
Minister of Pensions and National Health.

THERE ARE two major phases to the great change which must take place in Canada after the war. Our industrial organization which has been geared to the production of war equipment must be converted to the normal procedures of production for civil use and consumption. The million men and women who have joined our armed forces must be returned to civil life under circumstances offering them the opportunity for useful remunerative occupation. Neither aspect of the problem can be successfully solved without the other.

In the Session of Parliament recently concluded measures for both purposes were enacted. While I have no desire to claim that the programme for the rehabilitation of ex-members of the armed forces is perfect in all respects, the new legislation of this year has rounded out the programme so that practically every contingency to be reasonably anticipated is provided for in one way or another.

We have found in the past that our legislation has needed revision in the light of administrative experience and doubtless that will occur again. It has been our policy to watch very closely the practical working out of each new measure, so that any weaknesses may be speedily detected and corrected. The programme as it stands today is more comprehensive than anything ever previously attempted.

Our first objective is to insure that members of the forces are returned to civil life in as good health and physical condition as can be achieved through the ministration of medical science. Hospitals have been greatly enlarged and new hospitals have been and are being built in locations strategically situated to give to casualties the services of tre leading specialists in all branches of medicine and surgery.

Rehabilitating the Wounded

War scarcities of essential materials and labor have created certain difficulties in hospital construction but with the slight easing off of the demands of the forces these have very largely disappeared in recent months.

In the early days of the war when other considerations were subordinated to re-equipping the British Army and Air Force after Dunkerque and the Battle of Britain this problem was necessarily grave. At all times, however, the Department of Pensions and National Health has had a reserve of hospital accommodation in substantial excess of the actual requirements and that situation still exists despite occasional congestion in a particular ward here and there.

For the disability due to service, which cannot be removed by medical science, there is the time-honored expedient of monetary pension. Pension is also paid to the dependents of those who give their lives. These measures of medical care and pension are, of course, merely the minimum obligation recognized by the Country to its veterans in the light of modern thinking.

Over and above the physical handicap experienced by what we hope will be a reasonably small percentage of the members of our forces, there is the universal handicap of separation from normal civil occupation. In the case of the youngest this has meant interrupted training and education in the formulative years of life. In other cases, there is loss of seniority in employment.

Each to His Own Calling

Many accustomed to earning their livings as independent business and professional men will face the problem of re-establishing their own shops or offices. Farm bred men will have problems peculiar to that industry, and then for a very large percentage of both men and women there will be the problem of finding employment of a type for which they have the qualifications.

In the rehabilitation programme as it has now been rounded out the Government will have a Department of Veterans' Affairs administering a wide variety of services designed to minister to the solution of all of these problems.

The Reinstatement in Civil Employment Act assures to those who resigned their jobs to enlist that they shall be entitled to return to their former positions under no worse circumstances than if they had not joined the forces. Employers have co-operated admirably in carrying out the spirit of this Act.

For those who have to seek employment in the open market the National Employment Service, with the co-operation of specially appointed Veterans' Welfare Officers, will endeavour to bring the veterans into contact with suitable available positions.

Out-of-Work Benefits

If employment is not to be had immediately out-of-work benefit based on the size of the man's family will be paid.

This out-of-work benefit is also available in periods of interrupted employment within the first eighteen months after discharge. This precaution is based on the possibility that numbers of men will not immediately find the most suitable type of work.

Preferences have been arranged in the Dominion Civil Service for veterans.

Several of the Provinces and large numbers of private business enterprises have adopted the same policy.

Any period of ill health experienced by the veteran in his first year of civil life will be the subject of free medical care and maintenance allowances during periods of hospitalization.

Having regard to the fact that thousands of young people entered the Forces without having completed their education or acquiring a skilled vocation, provision has been made to enable these people to complete their training or education.

Any Veteran who can, within fifteen months of discharge, qualify for entrance or re-entrance to University will have his fees paid and receive an allowance for his living while attending classes.

Similarly, any Veteran who can be helped to qualify for employment or for better employment by a vocational training course of any kind will receive such a course under similar conditions.

It is hoped that between two hundred and two hundred and fifty thousand Veterans will take this opportunity to improve their prospects in life after the war. These facilities have been available to persons already discharged, and some thousands of courses have already been awarded.

Many of the men discharged during the war preferred, however, to continue to pull their weight by taking employment in war industry. Accordingly, the opportunity to accept a vocational training course has been kept open until a year after the war for those who have already been discharged, and for one year after discharge for those who may not be able to leave the Forces until some time after the close of hostilities.

Assisting Farm Buyers

Recognizing that farmers cannot succeed under an excessive burden of debt, the Veterans' Land Act enables a Veteran to acquire a farm by paying 10% down on its cash value. The Government will then provide stock and equipment and give the man up to twenty years to pay off two-thirds of the value of the land and buildings. The Veteran who keeps up his payments and makes a success of his venture will, after ten years, be given a free grant of one-third of the value of the land and buildings and the entire value of the stock and equipment supplied by the Government.

The foregoing are the principal measures which were in existence at the close of the recent Parliamentary Session when the War Services Grants Act was passed. This Act is designed to give to every discharged Veteran a sum of ready cash which he may use according to his own best judgment, and to place at his disposal an additional sum, which may be obtained upon application, for an approved rehabilitative purpose. It may be used in the purchase of a home or in the furnishing of a home. It may be used in the purchase of a business, a share in a business, or the tools and equipment necessary for setting up in a business, trade or profession.

Possibly the most important clause in this Bill is the last condition, which provides that it may be used for any other purpose approved by the Governor-in-Council. This is the clause which enables the Government to meet contingencies that have not been foreseen.

This Re-Establishment Credit is intended for those who do not take educational or vocational courses, or who do not take up land under the Veterans' Land Act. Those who take training and educational benefits or who take up land will, in the vast majority of cases, receive a benefit, the monetary value of which is in excess of the Re-Establishment Credit. For those who do not take these special benefits, the Re-Establishment Credit is a compensating and equalizing factor.

Discharge Allowances

At the time of discharge, every man who has had six months' service receives his transportation home, a clothing allowance of $100 and a grant equal to one month's pay and dependents' allowances.

Those who have had overseas service will also receive seven days' pay and allowances, including subsistence, for each six months' overseas service. It will be noted that two years' overseas service would give the man approximately another month's pay and allowances.

Although policy has not been absolutely settled in this regard, it is expected that members of the Forces who are repatriated from abroad after the war will be given a month's leave of absence with pay, before discharge procedure is initiated. In any event, the rehabilitation grant, overseas pay and war service gratuity will be in addition to whatever leave of absence may be accorded by the Services.

The War Service Gratuity adopted at the end of the recent Session provides that, for those who have volunteered or been ordered for general service, there will be paid $7.50 for each month of service in the Western Hemisphere, and $15.00 for each month of service overseas. This will be disbursed in monthly instalments, beginning one month after discharge.

The Re-Establishment Credit is an amount equal to the War Service Gratuity. It is to be credited to the man's name in the Department of Veterans' Affairs, and may be obtained upon application for one of the definitely useful purposes already mentioned, or for some other approved purpose which has not been foreseen in the legislation.

Plans Are All-Embracing

Thus provision has been made for many to go back to their former positions; for others to be trained for skilled work in the various trades and professions; for others to be assisted in finding employment and given security until such employment is found. For those who wish to set up in business of their own, the gratuity and the credit provide a substantial fund. For those whose employment is secure and who wish to obtain homes, there is also a substantial fund at the disposal of the Veteran.

The farmer, the fisherman and the seasonal worker who wishes to supplement his earnings from a small plot of land are to be assisted through the Veterans' Land Act.

One other measure is the Veterans' Insurance Act. Men with a disability are often unable to obtain life insurance for the protection of their dependents at reasonable rates. In order not to deprive them of the opportunity of protecting their families, the Government has agreed to give life insurance up to $10,000, without medical examination, to any Veteran. The premiums will be those applicable in commercial insurance to a physically fit person of the same age.

This programme, it is hoped, will meet most of the contingencies likely to arise in connection with the personal and individual problems of rehabilitation confronting our ex-servicemen. They will not solve the whole problem unless Canada has an economy of full employment. In other words, this country will have to use its productive capacity to the limit if the opportunity is to be available for all our people, demobilized Veterans and others, to find suitable openings for their abilities.

Employment Vs. Depression

Despite the fact that past wars have usually been followed by depressions, our leading economists consider that a programme of full employment is practicable. Intensive studies and researches that have been conducted for the past three years into post-war conditions of the past have indicated the type of Government measures which will be necessary. Some of these have already been taken.

Canada has participated fully in discussions looking to the stabilization of international exchange. There may be differences of opinion about the methods adopted, but the important fact is that a reasonable measure of agreement among all the great powers has been found.

Canada is also participating in the United Nations Relief and Rehabilitation Administration for the purpose of restoring the devastated countries as rapidly as possible.

Recognizing that these countries will again constitute an important market for our exportable products, Parliament has approved a system of export credits which will enable our exporters to renew trading with the impoverished countries of Europe without delay.

Similarly, through the establishment of an Industrial Development Bank, the Government has taken steps to place capital at the disposal of industry for conversion and expansion after the war. The small and medium industries will be the principal beneficiaries of this legislation.

Department of Reconstruction

A Department of Reconstruction presided over by a Federal Minister will have the responsibility of directing and co-ordinating Federal, Provincial and industrial measures designed to facilitate the revival of peace-time industry, and maintain full employment, especially during the transition period.

Unemployment insurance, enacted in 1941, will be of inestimable value in maintaining purchasing power among war workers experiencing temporary interruptions of employment during the period of re-tooling.

Even a year ago, international authorities agreed that Canada had taken the lead among the United Nations in the breadth and scope of her organization for reconstruction and rehabilitation after the war. The strides that have been made during the past year would seem to suggest that Canada is well maintaining her position at the head of the procession in this regard.

There will be many trying experiences despite all the planning that has been done but, if there be united determination on the part of business as well as of those with official responsibility, I have every confidence that Canada can effect the miracle of sucessful post-war reconstruction, with even less friction and disturbance than characterized her phenomenal performance in transforming herself into a Nation in arms in the early years of the present war.

Capacity and Location Flour Mills in Canada

A total of 200 mills engaged in the production of wheat flour in Canada reported their operations to the Dominion Bureau of Statistics during the year 1943. Of this number, 90 were in Ontario, 102 in the three Prairie Provinces and the remaining eight in Quebec, the Maritime Provinces and British Columbia.

Capacity figures shown against each mill represent, in the great majority of cases, the rated capacity in barrels of 196 pounds each, per 24 hours of operation. Thus, the 200 mills listed could, in a single day, working three shifts of 8 hours each, produce a total of 92,500 barrels of flour. But this rate of daily output could not be maintained throughout the year in view of Sundays, holidays, breakdowns and stoppages necessary for the overhaul and repair of machinery.

Many of these mills estimate that they could maintain their rated daily capacity for 300 days or more in the year, others estimate between 200 and 300 days and still others indicate a maximum of less than 200 days annually. The average would appear to be in the neighborhood of 285 days per year, and this would represent an output of 26,366,000 barrels of flour annually.

The calendar year 1943 witnessed the heaviest production of wheat flour in the history of the Canadian milling industry. A total of 24,474,696 barrels of 196 pounds each, was produced in the 12 months ended December last, according to preliminary figures. This was equal to 93 per cent of the maximum production capacity indicated for 1944. Some mills operated on a seven-day week for extended periods during 1943 under the pressure of export orders from the United Nations.

A summary of the reporting mills by size groups, and their rated capacity per 24 hours, is shown below:

Rated Daily Capacity	Number of Mills	Barrels of Flour per 24-hour Day
5,001 to 12,000 barrels	4	33,000
1,001 to 5,000 barrels	16	36,920
501 to 1,000 barrels	6	4,525
301 to 500 barrels	7	2,800
101 to 300 barrels	36	6,973
51 to 100 barrels	59	5,382
50 or less barrels	72	2,919
Total	200	92,519

ONTARIO'S SHIPYARDS HELPING TO ACHIEVE THE FINAL VICTORY

The army of shipbuilders in Ontario yards is fully conscious of the importance of its work in helping to build a bridge of ships across the ocean.

Ontario's yards, as a result, are scenes of bustling activity . . . compressed air riveters beat out their steady and ceaseless clatter . . . and the weapons to defeat the Axis, are being delivered in ever increasing volume.

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Nova Scotia Plays Proud Part in Nation's War Effort

Leads All the Provinces in Providing Men for the Armed Services — Ship and Boat Building Hold Prominent Place in Productive Program — Shipping Facilities of First Importance

By HON. A. S. MacMILLAN,
Premier of Nova Scotia

THAT Nova Scotia, after four years of recruiting, leads all Canada in providing men for the armed services is shown by enlistment figures recently released. The ratio of 46.9 per cent of all men of military age has not been attained by any other portion of the Dominion.

In other contributions to the war effort the province has well retained the honor of being in Canada's "front line." History tells us that the fourth year of conflict is always a stern test of morale and resources. During the past year Nova Scotia's war-time contributions were not only maintained but increased.

Ship and boat building occupied a prominent place among the industrial activities of the province. Construction ranged from steel cargo-carrying ships down through assorted types of wooden craft, freight and fishing boats, mine-sweepers, harbour, patrol and utility craft to the small row boats and fishing dories. Two boat building yards came into full scale operation.

The steel shipbuilding yard at Pictou is rapidly completing the quota of cargo vessels called for under its present contract. A considerable amount of new and modern equipment, together with the experience gained by all ranks of the personnel, places this plant in a stable and competitive position among Canadian yards. Every effort will be made to secure post-war work for this establishment.

Halifax is Canada's principal port on the Atlantic and as such has played an important part in maintaining a full volume of transportation. Other Nova Scotia ports, called on to handle an unusual amount of shipping and to provide extra ship accommodation have risen capably to the situation.

War Problems Of Fishermen

War has tested Nova Scotia's fishermen in severe fashion. They have tried valiantly to carry on amid abnormal conditions. Many of the younger men along the shore have joined the Navy or other services. Others have gone to work in various war industries. Those left behind have found it difficult to meet the demands made upon them. Lack of proper equipment for deep water operations, and the shortage of help, hampers them but they toil to the utmost. A new dragger-type of fishing boat constructed at Mahone Bay, first of its kind to be built on the east coast, will determine the value of such craft to Nova Scotia's fishing industry. If it is successful many small draggers will be built.

Between fishing seasons the fishermen of southwestern Nova Scotia are harvesting and bleaching Irish moss. This product is playing an increasingly important part in manufactures. Our women have taken up many of the burdens on farms and in factories, in canning establishments and apple-processing plants, and are "doing their bit" as truly as women in the Services. Men in training have helped gather harvests in fields and orchards, and nowhere else in America has the spirit of co-operation been stronger.

Since the beginning of hostilities the paved highways of the province have proved to be an invaluable asset in the prosecution of the war effort. Farm produce and other supplies are readily taken to training camps and military and naval stations. The roads are adequate and so located that, had necessity arisen, motorized units could have been moved quickly to any defensive point.

Among Nova Scotia's contributions to the allied cause during the past year was the production of iron and steel, coal and pulpwood and essential metals. Nova Scotia has produced during the war years at least one-half of the steel used for all purposes in Canada. Victory Loan quotas, although largely increased, were reached and exceeded. A campaign to sell War Savings Stamps and Certificates was carried on successfully by our schools.

Throughout the war Nova Scotia has become known to many thousands of soldiers, seamen and airmen of almost every race and color. These have come from all parts of the British Empire, the United States, from Norway, Holland, France, Belgium and other countries. They have made the province their temporary home while in training, while waiting to go overseas or during their stay in Atlantic ports.

Working For Victory

Our citizens have, since the war began, regarded this situation as an opportunity for personal service. They have thrown themselves into the work of attending to the needs of these visitors with an energy and attention to detail that have made this province remembered with affection throughout the Armed Services and the Merchant Navy. Tens of thousands of men have been entertained at free concerts, at movie shows, in church halls and in private homes. The various hostels and canteens have supplied enormous quantities of envelopes distributed through a Magazine Exchange. A great deal of the work has been carried on by women volunteers, some of whom have served continuously for four years.

The cities and towns of Nova Scotia have been over-crowded to an extent not known elsewhere in Canada. Some assistance has been given in the matter of housing but citizens of the province have to face weighty problems of health and social service, and increased municipal costs.

Post-war plans for Nova Scotia will be completed as soon as definite co-operation from the Federal Government is assured. The various proposals considered include a large highway paving program, steel and coal developments, improvements in the fishing industry, in forestry and in agriculture, the electrification of rural districts and the provision of more and better hospitals. Consideration will also be given such projects as a bridge across the Strait of Canso.

Economic Stabilization In the Post-War Era

By IVAN WRIGHT, Professor of Economics, Brooklyn College, in The Commercial and Financial Chronicle.

Economic relationships finally right themselves and balance out but without any very definite pattern of timing or justice about the conflicts which arise. It is well known that if the supply of some article exceeds the demand that the surplus will pull down the price. If left to a free competitive market, and the less efficient producers who can not stand loss will be driven out of business. In foreign trade the country that exports more than it imports must sooner or later receive payment in gold and thus expand its credit base and increase its prices or become an investor in foreign securities. The increase in price will finally expell the eager buyers and imports and exports will again stabilize at an equilibrium. Too much money and credit, in time, will cause a rise in prices, and too little money and credit relative to the volume of work to be done with money and credit will bring a decline in prices. These equilibrium adjustments are called inflation and deflation. In the long run, maladjustments of prices, production debts, taxes and all other contributing factors to value relations adjust themselves and stability is again restored. This of course assumes a free competitive society in which values can adjust according to the knowledge of value relationships which is quickly understood by the general public. But do we have that kind of a society? Does management and regimentation prevent values from readjusting? A free society worked most imperfectly and unjustly at times, but does a managed economy work any more perfectly and justly?

Reconversion Maladjustments

The reconversion from war to peacetime business has caused a maladjustment following all wars. But this war is different. It is world wide. It is larger and it has brought about a greater concentration of the population in places necessary for war work but not practical for peace times. It seems quite safe to say that a larger percentage of the working people are engaged in war work than was the case during any previous war. Also it is perhaps safe to say that more women are working at war jobs and peace time jobs than ever before, and a large percentage of these women will wish to continue to work. Then there is the large number of men and women in the military forces to be demobilized and returned to their former peace time occupations. The numbers actually in the military forces are perhaps more than 100% larger than in World War I.

While the war has been in progress there has been a great concentration of industry. More than one million businesses have ceased to exist, while only about a half million new businesses have been formed. The government has many billions worth of war plants for sale. Some of these are useful and some have only junk value. Many peace time industries have been expanded for war purposes a thousand per cent. People have changed their habits in everything from food to transportation. New products have been created and the uses of old products made obsolete. A list of these maladjustments would fill a large catalogue.

Figures On Maladjustments

From figures presented in the Federal Reserve Bulletin income payments have increased from an index number of 98.5 in 1938 to 211.7 in 1943; the physical volume of production (unadjusted) from 89 to 239; factory employment from 91 to 168; factory payrolls from 85.1 to 316.4; department store sales from 99 to 168; wholesale commodity prices from 78.6 to 103.1 and the cost of living from 100.8 to 123.6. (These Indices are compiled by the Federal Reserve Bulletin. However, they do not have the same base year. For example, the cost of living is based on 1935-39 as 100, while the wholesale prices are based upon 1926 as 100. Nevertheless, the trend of the changes is quite evident.)

When similar maladjustments have occurred in the past, though never so extreme, a period of adjustment causing a depression occurred. For example, taking 1926 as 100, all commodity prices moved from 68.1 in 1914 to 154.4 in 1920, and back to 95.3 in 1929 and then down to 65.9 in 1933. The adjustments in manufacturing, mining, factory payrolls and international trade were very similar to the price adjustments. The history of these times is too well known to require further comment. But suffice it to say that maladjustments are followed by adjustments, inflationary or deflationary, and no matter which comes first the other inevitably follows as all past history informs us.

After World War I a short period of readjustment and a mild depression was followed by about eight years of financial inflation with only a few mild interruptions worthy of the name of a few months reaction. During the first war our net public debt had increased sharply and bank deposits had increased more than 100%. But during the decade that followed the Federal debt was reduced by about 10 billion of dollars, while the city and state debts increased rapidly and the net public debt was marked up more than twice as much as the Federal debt costs of the First World War. In addition, the debts of private corporations expanded as never before. Also, it should be pointed out that it was in this period that instalment credit had its great expansion. Everything from automobiles to house furnishings were sold on the instalment plan, and when the credit wanted was restrained there was a network of loan companies licensed by the states to make loans at rates of 42% per annum to meet all extra needs. This decade of credit expansion following the recovery beginning in 1921 witnessed an increase in total public and private debt of more than twice the small Federal debt cost of the First World War. But the payday came in 1929, as has been the case of all bubbles and over-expansion of credit from the "South Sea Era" to the "New Era."

What Is Ahead?

During this war the national debt and the net public debt have expanded many times that of World War One. In fact, the rise of these public debts has outstripped anything recorded in financial history, and we have no records to compare this credit expansion within the pages of history of this country or any other country. As a result, bank deposits will probably reach 150 billion dollars by the end of the fiscal year 1945. What is to follow this "era" of war credit expansion? Will speculation and rising prices consume this increased credit? How will the debts be paid or reduced, and the bank deposits reduced? Can these debts and bank deposits be managed so as to prevent another wild boom and the inevitable collapse that always has followed booms? Recovery and inflation booms are always interpreted as "New Eras," "Prosperity" and just the natural activity of an industrious people until they burst. Then the blame is placed squarely upon the bankers, the speculators or the government. All of which undoubtedly bear a portion of the blame. But they in turn blame the public.

Can we escape a "New Era" and its consequences?

SOME INDICATORS OF FINANCIAL MALADJUSTMENTS

Year—	Total U.S. Receipts	Expenditures	Gross National Debt
1917	$1,124,325,000	$1,977,682,000	$1,023,557,000
1919	5,152,257,000	18,522,895,000	26,594,268,000
1930	4,177,924,000	3,994,152,000	16,185,308,000
1941	7,607,212,000	12,774,890,000	58,019,773,000
1944 (Estimated)	41,186,000,000	99,276,000,000	250,000,000,000

OUTSTANDING NET PUBLIC AND PRIVATE DEBT
(In billions at the year ends)

1916	74.7	1938	158.0
1926	124.3	1939	161.4
1929	173.4	1943	273.5
1933	151.3	1944 (Estimated)	400.0

NUMBER OF BANKS, LOANS, INVESTMENTS AND DEPOSITS
(Dates selected to indicate trend)

	No. Banks	Loans & Inv.	Loans	Investments	Deposits
			(000,000 omitted)		
1914, June 30	26,274	$20,788	$15,257	$5,532	$18,566
1920	29,829	41,684	30,839	10,845	39,721
1929	25,110	58,474	41,531	17,442	53,852
1933, Dec. 30	15,219	40,477	22,077	18,400	38,646
1941, June 30	13,422	46,186	19,909	26,276	65,608
1943, Dec. 31	13,270	83,507	18,841	64,666	104,094
1944 (Estimated)	13,200	125,000	19,000	105,000	145,000

Canadian Fur Industry In a Healthy Condition

This year, according to W. M. Ritchie, Chief of the Fur Inspection and Grading Services, Dominion Department of Agriculture, the Canadian fur industry is in a healthy condition, both from the viewpoint of those engaged in fur production on fur farms and in trapping and those in the fur manufacturing and retail trades.

Fur farming is in the big business bracket in Canada. Mr. Ritchie estimates it represents an investment of about $40,000,000. In 1943 the value of Canadian raw fur production, comprising pelts sold from fur farms and those caught by trappers, was $27,694,164, a new record and eleven per cent above the value in 1942. Mink pelts topped the list with a value of $5,842,000, muskrats came second with a value of $5,599,000, silver fox third with a value of $4,621,000 and coyote or prairie wolf fourth, valued at $3,000,000. Twenty other kinds of fur pelts sold for more than $18,000,000.

Since the war began the fur trade in Canada has been enjoying a good measure of prosperity due to the general shortage of raw furs and to the high ratio of employment causing more people to have money to spend, among whom is a high percentage of women workers.

While Canada contributes substantially to the country's requirements in furs large supplies are, however, imported from the United States and other countries. New York City is the principal centre of the U.S. fur trade.

Imports of Furs Up

Since the introduction of the price fixing in 1941 until recently, imports of furs from the United States have been limited to one-third of the amount imported in 1941. From the time of the recent lifting of this restriction there has been a sharp increase in the entry into Canada of furs of all kinds, particularly of Persian lamb, which promises to be the leader for women's coats next winter. Pelts of this fur which come principally from Southwest Africa and Persia, may sell from $1 to $15 each, depending on the gloss, sheen or tightness of the curl. To make a woman's Persian lamb coat of average size, requires about 30 pelts. But Persian lamb is an inexpensive fur compared with mink. Top grade mink pelts sold this year at a peak price of $48. Pelts of indifferent or poor quality were bought for around $6. It takes 80 pelts to make a mink coat and such a garment made of selected top grade pelts, would retail at around $7,500. With care such a coat would last more than the lifetime of the average person.

Among furs of strictly Canadian production mink, muskrat and silver fox are leaders. In recent years what are known as New Mutation types of silver fox have caused the sharpest changes in the field of production of this fur. Among the new types are the platinum, platinum silver, pearl platinum, white mark silver, glacier blue and arctic blue. Such pelts recently sold in Montreal at a top price of $300 each, but the average price in the high grade brackets ran from $125 to $250, though a low grade silver fox pelt may be bought for below $10. Muskrat, of which Canada is a large producer, and the fur from which Hudson Seal coats are made, is always a ready seller. Pelts recently sold from $1 to about $3.50 each according to quality.

Attention to Quality

Mr. Ritchie says that those engaged in the fur production industry are now paying much more attention to quality. Since grading was introduced in 1941 on fur pelts for export it has caused an all round improvement in production. More attention is being paid to breeding and fur ranch management so as to get better pelts.

Before the war Britain marketed about 65 per cent of the output of Canadian silver fox pelts. Since 1939 that market has been closed and the United States market has been open for 70,000 pelts per year.

In 1939 Canada produced about 385,000 silver fox pelts. Last year the output was about 140,000 but of infinitely higher grade than in the pre-war years.

Just now there is a big demand for furs because people have money to buy them and with the shortage of trappers and help for the fur farms at a premium the supply is none too plentiful and the demand keen.

The Financial Times reaches a class of people who are interested in and able to buy investment securities.

In War and Peace...

Today the multiple resources, the facilities, equipment and manpower (29,000 employees) of Dominion Steel and Coal Corporation are enlisted in multiple tasks connected with Canada's war effort.

Tomorrow "Dosco's" energies will be turned to tasks of peace. The extent of the war effort which we are privileged to make is an indication of our ability to serve industry when the war is won.

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B. C. Mobilized for War And Organized for Peace

Lumbering, Mining Agriculture and Fishing Have All Played Their Part in the War Effort of the Province — Reconstruction Program Should Assure Continuation of Demands For A Considerable Time

By HON. JOHN HART,
Premier of British Columbia

BRITISH COLUMBIA today is mobilized for war and organized for peace. From the very outbreak of hostilities, its whole industrial organization has been geared to war-time production, and has shown an adaptability which augurs well for the reconversion which is already engaging the thoughts of its social and industrial leaders.

The great industries upon which the prosperity of the Province has been based, namely lumbering, mining, agriculture, and commercial fishing, have all played their parts in British Columbia's war effort. The immense reconstruction program which faces the belligerent nations and the feeding of war-torn Europe and China will make heavy demands upon all of them for some considerable time to come.

That there will be any perceptible slackening in our lumbering and mining industries is unlikely, and the demand for foodstuffs, and for the rehabilitation of the flocks and herds of those countries which have been denuded of their livestock, will make for sustained activity in farming and fishing.

In the secondary industries we have every reason to hope that the expansion created by the war will have a substantial measure of permanency. The relentless pressure of war-time production brought with it an increased efficiency, gave scope to an amazing ingenuity in devising improvements in machinery and methods, caused a reaching-out into other fields which might not normally have suggested themselves, with the result that our secondary industries find themselves able to engage in a vastly greater variety of occupations than before.

Naturally, this influences our view of the post-war period and leads us to look forward to it with considerable confidence.

In 1939, our industrial payroll amounted to $165,000,000, an impressive figure for a province with a population of barely 800,000. In 1942, the total was $303,000,000.

That we shall be able to maintain that rate of expansion is not to be expected. We have every reason to believe, however, that we shall continue to show a healthy growth, and that the recession will not go back to pre-war figures.

Shipbuilding has been an important factor, and has played a leading role in swelling our war-time totals. This has been well established for many years and expanded greatly during the war. The key men in the industry are men who learnt their skills and technical knowledge on the Clyde and wherever there are ships to be built, from coastwise tugs to mammoth freighters, the shipyards of British Columbia are equipped and organized to build them.

Curtailment Is Logical

That there will be a substastial curtailment after the war is universally accepted;- but, where a thousand men were employed in the shipyards of Vancouver before the war, more than twenty thousands were employed at the peak of war-time production. Already the industry has begun to take stock of the situation, and the actual cessation of hostilities will find much of the readjustment already accomplished.

There is, however, every reason to suppose that with shipbuilding, ship-repairing, and drydock operations, the Coastal yards will still be definitely in the picture. A programme already has been announced which, if British Columbia receives its legitimate shares, will ensure the continued employment of a substantially greater number than were employed in pre-war years. Whether or not British Columbia can compete successfully rests to a great extent with the industry, but the degree of harmony which exists today between capital and labour certainly does give us every reason to hope for continuity.

In other directions, too, the outlook is distinctly encouraging. Reference has been made to the logging and lumbering industry, and it is in this that the most far-reaching developments are to be expected. Great progress has been made towards greater utilization. With the constant introduction of new methods, new uses, and new processes, the field has widened immensely. Our incomparable spruce has proved itself in the Mosquito Bomber, a fact which in itself suggests substantial possibilities. In plywoods and plastics we have undoubtedly the nucleus of great industrial expansion.

Future Of Mining

Mining is a "wasting asset," but progress and invention make possible new discoveries, the utilization of marginal ores, and the use of new minerals and industrial materials, so that mining will continue to be, as it has been for so many years, a vital factor in our provincial economy.

There is no doubt that the cessation of hostilities will bring a greater movement of population and capital to British Columbia. All the evidence points that way. Keen interest is being shown by forward-looking industrialists who are alive to its natural and strategic advantages. Its wealth of natural resources, its open-free ports with their splendid terminal facilities, its abundance of power, and its climate so favourable as to permit of year-round operations, all combine to make it unique from the industrial standpoint.

That we shall have a great influx of settlement becomes every day more apparent. Enquiries are being received from every quarter, from earnest and bona-fide correspondents, who freely discuss their means, abilities and aspirations, and there is doubt that British Columbia will benefit enormously in the immediate post-war era from a genuine "back to the land" movement.

Tourist Trade Profitable

Another highly significant factor will be the tourist trade. Until the outbreak of war, tourists occupied a place of steadily-growing importance in British Columbia's economic scheme to the point where it had, in fact, assumed the status of an industry. Where the other industries soared to new levels under the pressure of war-time demands, the tourist trade suffered a sharp curtailment, but there is no doubt whatever that the cessation of hostilities will bring a strong revival and that, with freedom of movement restored, this business will resume its place on a greatly expanded basis. It no doubt will be of great assistance during the period of transition.

Behind the scenic grandeur which makes British Columbia the most spectacular of all the Provinces, is a solid and growing industrial structure which ensures the future of British Columbia through the years to come.

As a producer of manufactured goods it ranks third among the Provinces. Its products range from the heaviest machinery to the tiniest part, from structural timber to processed foods, from ships to shoes and shingles. In all those activities the Province is well established. In some it is pre-eminent. Most of those products will be in vigorous demand.

Actually, there seems every ground for a substantial degree of confidence, and it is in that spirit that British Columbia faces the post-war period.

Business Finance in The War

Federal Reserve Bulletin Indicates Finances of Corporations Strengthened by War Developments

New York—Discussing "Business Finance in the War," the board of governors of the Federal Reserve System finds that "broadly speaking the financial position of business concerns has been strengthened by increased earnings derived from the growing volume of business, in both war and civilian activities." Setting out its views in its July "Bulletin" the board goes on to say that "dividend payments to stockholders have not increased appreciably and a large proportion of earnings, after payment of taxes, have been retained by business."

"In addition," the board adds, "increased allowances for depreciation have recently been well in excess of the declining amounts of capital expenditures, and many corporations have also set up large reserves for post-war contingencies."

It is likewise noted by the Board that "liquid assets of corporations, particularly bank deposits and holdings of Government securities, have shown a rapid expansion in the war period, and it appears from the rather limited data available that unincorporated businesses have also increased their holdings of such assets."

All of which prompts the board to say:

"These accumulated liquid resources will be of help to business in meeting the problems of conversion from war to peace activities. It should not be concluded, however, that they are adequate to meet all the volume and nature of the demand for its products. If production and sales are in sufficient volume to maintain reasonably full employment, demand for peace-time products will be much above pre-war levels. In this event many businesses are likely to find their resources inadequate and will need outside financing to expand their facilities."

Liquid Assets Useful

In part in its comments the Board also says:

"In the process of passing through the reconversion adjustment to subsequent expansion, the liquid assets accumulated during the war will prove useful, though their adequacy for particular firms will necessarily be qualified by the circumstances in which such firms end the war period. These circumstances will include such factors as the condition of operating properties, the situation with respect to civilian markets, the assets to be replaced, the character of liabilities that may have to be retired, and the existence of banking arrangements to finance the various requirements. Because of these qualifications, the ability of individual businesses to finance their reconversion needs can not be measured solely by the extent to which liquidity has increased or declined.

"Increase in liquid assets has been the outstanding aspect of war-time business finance. More important from the long-run standpoint, however, has been an increase in underlying business strength as represented by larger equity positions. This strengthening has come mainly from higher levels of retained earnings, which have been reflected in debt retirement and enlargement of operating property, as well as in larger net working capital. In the case of some war producers the underlying position may be further improved after the war by opportunities to purchase government properties at lower cost than would be required for comparable facilities on a new basis, and by the remission of taxes for various war costs and losses already provided for in published earnings reports.

Single Accounting Period

"The full extent of any net gain by business from war-time experience can not be finally assayed until some time after the war is over. In a real sense wartime and early post-war experience should be viewed as a single accounting period; the allocations of many gains and losses to individual years are highly provisional since they involve various estimates as to what the entire war and its settlement will bring. It is in the nature of managerial responsibility that these estimates lean on the conservative side—that is, they tend to underestimate gains and to overestimate losses. This tendency suggests that the final accounting is likely to show somewhat more improvement in business positions as a result of the war experience than has yet been indicated in published statements, but this prospect could be changed by developments of an unfavorable nature."

Says British Amazed At Canada's Supply Job

Ottawa—Col. J. G. Robertson, Agricultural Commissioner for Canada in Great Britain, who recently arrived in Canada to consult with Hon. James G. Gardiner, Minister of Agriculture and officials of the Agriculture Department, stated in an interview held here that the prestige of Canada in Britain was never as high as now. The people of the British Isles, he said, are amazed how Canada with a population of less than 12 million has done so much in the war effort. How the Dominion has been able to contribute not only incredibly large quantities of essential food products of notably high quality, to supply armaments and munitions and to maintain hundreds of thousands of men and women in the navy, army and air force, has the British guessing hard.

Col. Robertson pointed out that as a result of the generous supplies of bacon arriving in Britain from Canada the British Ministry of Food has been enabled to increase the weekly ration by 50 per cent, or from 4 ounces to 6 ounces per week. In 1941 Canada shipped over 425 million pounds of bacon to Britain; in 1942, 600 million pounds; in 1943, 675 million pounds and this year will ship substantially more than in 1943.

Canadian bacon is arriving in Britain in good condition but now takes longer to cross the ocean and has to be held in cold storage much longer than in normal times. Consequently British consumers do not receive as high class a product as in times of peace. Col. Robertson explained that about 80 per cent of the British bacon ration is made up of Canadian bacon. He said that Canadian cheese continues to be held in high regard throughout Britain as it has been for the past 75 years. The British cheese ration is 3 ounces per week but varies slightly with supply.

Egg Powder Finds Favor

Canadian egg powder is regarded by the British Ministry of Food as an excellent food product and the 5-ounce package finds favor among consumers.

Col. Robertson said he does not think there will be any hesitancy on the part of the British housewife and the hotels and restaurants to return to shell eggs after the war. To what extent egg powder will be used in the confectionery and bakery trades depends on its price in competition with frozen eggs.

Frozen beef from Canada is now arriving in Britain in considerable quantities and is appreciated.

The British people welcome the apples from Canada, he said. Before the war, Nova Scotia and British Columbia apples were available in substantial quantities, but shipments since 1939 have been sharply reduced.

Col. Robertson said that he has been impressed during the two years he has been in Britain by the courage, the cheerful fortitude, and the ingenious resourcefulness of the British housewife. "She has been one of the principal bulwarks of the nation, has looked after the children while their father is away in Africa or India or on some other fighting front, kept up their morale, stood for hours in queues, made a little go far, and has even found time to do something for the Red Cross or some other war agency. Now she takes shelter with the children from flying bombs. She is the modern heroine", he said.

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How War Has Developed Our Productive Capacity

Full Story of Staggering Totals Cannot Be Told Until the Victory Has Been Won — Workers Have Played a Major Part in the Great Effort — Work of National Selective Service to Continue

By HON. HUMPHREY MITCHELL,
Minister of Labour

During the war of 1914-19, Canada first recognized her industrial potential. It is true that for some years before that time we had been rather leisurely developing sizeable industries, over and above our original agricultural economy, but it was under the pressure of war that we first realized within ourselves what we could accomplish in the way of rapid industrial expansion, of heavy emergency production.

It was not until 25 years later, however, during the present war when we saw with full clarity what we could do in regard to productive capacity. Statistics have been published showing staggering totals for Canadian war production in some lines since 1939, but it will not be until after the war is finished that the full story can be told.

These production records are the handiwork and the glory of our Canadian workers, who have played a major part in Canada's war effort. That Canadian workers—both men and women—have rendered vitally necessary service in wartime, that they have displayed both industry and ingenuity, that they have shown themselves to be adaptable to meet emergency production conditions, are facts that are very apparent. Nevetheless, it is well to emphasize these facts occasionally, to underline the important part played in our war effort by the workers—whether in factory, mine, shipyard, or on the land.

We in Canada were only able to meet our huge production programs by increasing in substantial fashion the percentage of our population "gainfully occupied". It is estimated that from August 1939 to December 1943, we increased from 45.0 per cent to 57.3 per cent the fraction of our population fourteen years of age and over, who were in gainful employment, including service with the Armed Forces. And a remarkable feature of this wartime change was this: that the number of men engaged at agriculture reduced by about one-quarter between the same two dates, although we have steadily increased agriculture production throughout the war period. Mention should not be overlooked of the estimated 760,000 farm women, not included in the figures of those gainfully employed, who have rendered valiant service to agriculture and the nation by assisting their menfolk in the face of shortages of farm workers.

Many Jobs To Be Filled

Now to take a look at the trend of industrial employment in recent weeks: although we feel that labour demands probably passed their peak toward the end of 1943, both the volume of employment and unfilled labour requirements have continued high during the summer of 1944. Actually late in August the employment offices showed a total of about 135,000 vacancies for workers remaning unfilled, and on which applicants had not been referred. Though this was a drop from earlier in the summer, it still represented a substantial call from industry for additional workers who could not be supplied at the moment due to the many pressures on our manpower supply—and I might add that these demands were apart from much of the then prevailing requirements for harvest workers on the farms.

Latest figures compiled by the Dominion Bureau of Statistics show that the index number of employment in Canada at July 1st last was 183.5 — virtually the same as at July 1st, the year before.

This is being written at a time when it would be unwise to attempt a detailed forecast of probable trends of employment and labour supply over the next few months. There are too many uncertainties on the horizon, but a glance at some general considerations will aid in seeing the course which events, in an employment sense, are likely to follow.

As long as fighting in Europe lasts, we may count on constant labour shortages, but the trend in the late weeks of the summer has been toward a reduction in these shortages. Our heavy shell program, much to the fore in war production during the past several months, has steadily called for additional men and women, and in spite of general labour shortages, a fair degree of success has been made in keeping pace with these demands. Assisted by the inventiveness and capacity of our farmers, the heavy crops of this year are all being harvested: transfers of farm workers from one area to another, the availability of men from the Armed Services, and the assistance of urban dwellers, have helped agriculture to meet its difficult labor supply problem. Labor priorities and compulsory transfers of workers have gone a long way toward meeting the critical labor shortages in high priority industry, at the expense, in many cases, of production or services in less essential lines.

Still Much Hard Fighting

We are all deeply gratified at the progress which has been made by our Armed Forces and by those of our Allies, in the European war theatre. We are, in fact, elated. At the end of the first week of September, much hard fighting still remains to be done, but we are entitled to feel that the victory for which we have been working during the five long years cannot now be much delayed in that theatre at least.

But victory in Europe, though it will not terminate the war, will have inevitable repercussions on employment trends in this country —and we do not know just when that victory will come. It will be soon, but the date is uncertain.

Whenever Europe ceases to be a battlefield, we may expect the first of our post-war employment problems to descend upon us quickly. The course of war production will be altered — and very likely the volume will be curtailed in certain lines to fit our machine to the type of fighting in the Pacific zone. At that time some raw materials for necessary civilian production, heretofore scarce, will no doubt become available for a resumption of normal production. These shifts back and forth from a war to a peace footing, will be reflected in demands and supply of workers. One likes to feel that it is now definitely certain that it will be only a matter of weeks until we will be grappling with these first problems of war curtailment.

Conversion Means Employment

After the war is finally won — and even as early as the completion of the European stage, we may expect a great deal of employment will be furnished through the conversion process — through the conversion of plants which have been working on war materials since early in the war, to normal peacetime production. Also we may expect a considerable volume of employment through the need of "catching up" on normal consumer demands in Canada, demands which have had to be stifled by wartime priorities. Then there will be new lines of industry after the war, arising out of wartime discoveries and developments. In metals, in plastics, in air transport and in several other directions, manpower requirements will inevitably be greater than in pre-war days.

On the manpower side, we have to be prepared to re-absorb nearly three-quarters of a million men and women from the Armed Services into civilian life. Parliament has adopted a series of measures which constitute a broad plan to guide the members of our Armed Services through the transition stage. Reinstatement in former employment, provision for back credits under Unemployment Insurance for time spent in the Forces — these are but some of the many plans already definitely provided to care for our ex-soldiers, sailors and airmen.

On the side of re-establishing civilian workers whose wartime jobs prove temporary, a good deal of planning is in progress. Through the Department of Labour, post-war employment surveys are under way. Committee study is being given to the problem associated with both the re-establishment of ex-servicemen and ex-servicewomen, and of civilians from war industries. An apprenticeship plan providing government support in this direction, has been adopted. Study is being made of possible avenues of new employment. Legislation is provided for a separate Department of Re-construction.

In the Post-War Era

In the post-war era, Canada will have the advantage of a National Employment Service to facilitate the carrying into effect of public policies for the transference of labor from area to area, to fully exploit employment opportunities offered in public and private work. In this respect we will be equipped to much better advantage than we were before the war. Tied in with the Employment Service, we will have the advantage of our Unemployment Insurance System put into operation in 1941. The fund of over $216,000,000 accumulated through employer, and employee and Dominion Government contributions made during the period of wartime activity, will provide a very necessary influence in reference to any short periods of unemployment which may develop through transition of industry from war to peace.

Looking forward, while the future in relation to employment trends bristles with uncertainties, there is no need for pessimism, for their are many favorable entries on the credit side of the ledger Jobs must be found for the men and women who will be discharged from the Forces and for the men and women who have been engaged on war production. That they can be found and will be found, appears to be certain. The planning and ingenuity required should not provide any insuperable task for our people when we have seen the industrial planning miracles they were capable of during the stress of war. A comprehensive blueprint, to fit each one into his niche, is not now a feasibility — but a careful plotting of all possibilities, made to be altered as conditions demand, will ensure full employment.

Canada's Fisheries Look To the World's Markets

(Continued from page 23)

federal regulations and will have federal status.

Certain research was a pre-requisite in developing the whitefish inspection plan and some continuing research will also be necessary to the success of the cheme, but this is not the only scientific work on prairie fish and fisheries which is to go on. The Fisheries Research Board is beginning a programme of fresh-water studies in the Prairie Provinces, under a chief biologist, and it is the intention, as soon as conditions permit, to establish a fresh-water fisheries research station broadly similar to the stations which the board already maintains on both sea coasts.

However, still other important federal plans are in progress, or about to be put in motion, relating to several fisheries problems in different parts of the country. For one thing we have started a scientific investigation of the fisheries resources of the Northwest Territories and the Yukon. There has been small-scale commercial fishing in the Yukon for years past but commercial operations in the Northwest Territories have been virtually negligible and relatively little is known of the fisheries resources in the two areas beyond the bald fact that there are many waters in which there are fish of one kind or another. Working through the Fisheries Research Board, which is under the control of the Minister of Fisheries, we have started an investigation of these resources and their productive possibilities. There is a good deal of ground to cover, and climatic and other conditions limit the seasons in which this northern research can be carried on, so the complete job will take several years. At present the fisheries of two particular regions are being studied by parties put in the field this summer, one party, by the way, headed by Professor V. C. Wynne-Edwards, of McGill. Professor Wynne-Edwards is directing a general survey of the fisheries of the MacKenzie River and its important tributaries below Great Slave Lake, giving particular attention to the area about the mouth of the river near Aklavik and to Great Bear Lake. The second party is investigating the Great Slave fisheries.

Otter Trawl Fishing

An investigation of another kind, but one of a good deal of importance, will be concerned with the otter trawl fishery of the Pacific Coast. Other trawl fishing is done on both sides of the international boundary and preliminary Canadian study has suggested that the major possibility of extension in British Columbia fisheries operations and production rests in this trawl fishery. However, it has never been the subject of planned bioligical research. Not much is known, for example, of the species of fish taken in British Columbia trawling, the effects of trawling upon the stocks of such species, or its effect on other fish which, for spawning or other purposes, frequent the areas where otter trawls are used. Knowledge on these and other points is essential to the development of any sound move to extend the fishery while avoiding possible injury to others. Hence the decision to make the investigation. Initial steps in connection with it have already been taken by the Research Board.

Three other important studies which are being undertaken relate to certain Atlantic Coast fisheries. One has to do with the lobster fishery remaining in the world and gives employment to a very large percentage of the fishermen of Quebec and the Maritime Provinces but requires careful control in order to avoid risk of depletion. Earlier biological studies of the fishery have been the basis of the department's administrative policy and the lobster fishing regulations or, in other words, they have been the basis of control measures which have proven of great benefit to the lobster industry generally. In cases of this kind, however, it does not do to stand still. In the interests of the industry, and the nation, we need to know more as to the size of the lobster population in different areas, more as to the measure of natural mortality so that close calculation of the optimum size limits may be possible, more as to the most suitable fishing seasons and most economic fishing methods, and so on, and it is with points such as these that the further investigation will deal.

Of the two other Atlantic investigations one has to do with herring fisheries, the second with cod and other groundfish. The former, however, is not entirely a federal undertaking nor entirely Canadian. It will study the herring of the Atlantic provinces and Newfoundland, and the provinces of Quebec, New Brunswick, Prince Edward Island, and Nova Scotia. The investigational work itself, which may require several years to complete, will be in charge of a member of the Research Board's scientific staff but he will act under the direction of a committee made up of representatives of the several governments concerned.

Groundfish Research

The groundfish research is related to the conservation and regulation of the immensely valuable North Atlantic fisheries, which are shared in by many countries. Questions touching their conservation and regulation were examined at a convention held in London last autumn, when Canada and fourteen other nations were represented, and further discussions are planned These fisheries are of very great importance to the Dominion and in order that we may contribute as usefully as possible to the determination of steps which may be required to conserve them it is necessary that our studies of groundfish in Canadian waters and adjacent areas be carried much further than has hitherto been possible. The investigation will be conducted under the Research Board's Atlantic Biological Station, where some of the necessary arrangements have already been made.

The investigations I have just been discussing will be largely biological. Two other undertakings which we have in hand are of a different order but of first rate importance. One is a programme of fisheries refrigeration research or, rather, an extension of such work for some very useful study and experimentation in this field has been carried on by the Fisheries Research Board over a number of years past. The other plan is one "to provide for improvement of shore facilities for the handling of fisheries products by the erection of a pilot unit fish processing plant or plants, or otherwise" and a special $250,000 appropriation for this purpose has been voted by Parliament. The reasons prompting this latter scheme may be stated simply enough. If the fishing industry is to increase its North American sales, and it must do that if it is to maintain and add to its prosperity, it must put its fish on the continental market mainly in the form of fresh, frozen, and lightly-cured products of thoroughly satisfactory quality, which means that on some sections of the coast there must be improved or new facilities for handling fish. It is the establishment of some new or improved facilities which is proposed under this plan, though I am not yet in a position to speak of details. The experiment proposed is really one in providing capital instruments for use by the fishing industry, which is suffering from under-capitalization and does not normally attract private capital.

Refrigeration

So far as fisheries refrigeration is concerned it is true to say that considerable progress has been made in Canada in recent years but it is also true that a survey made for the federal fisheries authorities by a refrigeration expert a few months ago emphasized both the need for more intensive work on the improvement of techniques employed in the handling, freezing, storing, and distribution of fish and the need for more research engineers. It is only on uniformly first class products that an expanded fish business can be built, and first class techniques are required — and sufficient competent people to apply them—if fresh and frozen fish and other perishable fish products are to be delivered to consumers in first class condition. Broadly stated, the purpose of our new or extended refrigeration research programme is to improve existing techniques where improvement is necessary or to devise new ones, to aid the industry in applying the results of research in its operations, and to train people for work in the fisheries refrigeration field. The programme will be carried on at the federal fisheries experimental stations operated at Vancouver and Halifax, respectively, but there will be close contact and co-operation with established fish freezing and fish storage plants, as well as with the transportation companies which carry Canadian fish to market. The job is not one that can be done overnight but some of the initial steps have already been taken and some of the necessary additional personnel put to work. Subsequent action will be taken as rapidly as may be efficiently possible.

Canada's Aircraft Industry A Miracle of Organization

(Continued from page 22)

	Total Assets	Working Capital
1944	$ 31,992,255	$ 1,794,696
1943	16,627,376	2,307,507
1942	12,666,158	1,696,261
1941	8,038,336	1,083,944
1940	6,507,040	463,118
1939	6,225,377	543,966
1938	6,185,244	610,585
1937	5,838,777	532,122

Cub Aircraft Corp.

Cub Aircraft Corporation, Ltd., operates a plant in Hamilton for the manufacture of Cub airplanes, Canadian rights for which are owned by the company. Also acquired Canadian rights for 2-seater tandem planes of Harlow Aircraft Co., of California.

The company has been making airplane parts, handling repair work, etc., during the war. Recently the directors have been in contact with U.S. interests in connection with activities in the air transport field, after the war.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$15,474	$4,636
1942	12,435	4,976
1941	4,444	336
1940	.....	* 20,397

* Net loss.

	Total Assets	Working Capital
1943	$304,633	$59,345
1942	239,588	72,825
1941	234,008	77,649
1940	237,621	75,840

De Havilland Aircraft

The de Havilland Aircraft Co. of Canada Ltd., operates an airplane plant at Downsview, near Toronto, and has sole manufacturing rights for Canada of the products of The de Havilland Aircraft Co. Ltd., of England, including the Dragon Rapids, the Gypsy Engine, the Dragon Fly, the Moth Minor, Flamingo Albatross, and the Tiger Moth.

The "Tiger Moth" formerly was chief product of the company as a training model to meet the requirements of the R.C.A.F. and flying clubs throughout Canada. The Moth planes are used by the air service of the province of Ontario.

As a result of war business company found it necessary to enlarge the plant and install additional machinery and also increase the size of its airdrome.

The company recently has been engaged on production of parts for Mosquito bombers.

Years ended Sept. 30	Gross Earnings	Net Earnings
1942	$11,866,990	$86,760
1941	3,719,918	88,443
1940	1,311,416	76,339
1939	457,032	67,235
1938	429,303	30,245
1937	280,725	3,786
1936	155,943	2,082

	Per Share Class "A" Earned	Paid
1942	$2.72	Nil
1941	2.78	Nil
1940	2.30	Nil
1939	1.93	Nil
1938	.45	Nil
1937	Nil	Nil
1936	Nil	Nil

	Property—After	Deprec.
1942	$209,231	$397,481
1941	288,308	285,800
1940	308,632	162,291
1939	256,888	65,986
1938	134,636	72,677
1937	129,344	62,652
1936	111,039	82,039

	Total Assets	Working Capital
1942	$5,373,648	$350,808
1941	2,691,905	283,483
1940	1,050,772	190,208
1939	657,169	107,724
1938	431,684	170,533
1937	499,232	145,463
1936	312,433	162,570

Fairchild Aircraft

Fairchild Aircraft Limited, with a plant and landing field, located in Longueuil, near Montreal, was engaged prior to entry of Canada into the field of warcraft production, in the manufacture in this country of planes produced by the Fairchild Aviation Corp. of New York, including survey and passenger planes used by Trans-Canada Airways and other air services.

Company when war production started engaged in production of Bristol Bolingbroke Bombers which were purchased by the Canadian government for home defence purposes. In the past two years the Fairchild plant has switched over to production under license from Curtiss Wright Corp., of Hell-Diver bombers, and the modification of other U.S. aircraft.

Years ended June 30	Gross Earnings	Net Earnings
1943	$ 583,376	$ 38,387
1942	754,846	98,541
1941	208,943	39,429
1940	167,522	11,444
1939	118,115	23,060
1938 x	373,949	75,368
1936 *	37,362	d3,894

	Per Share: Earned	Paid
1943	$0.30	0.25
1942	0.77	Nil
1941	0.31	Nil
1940	0.09	Nil
1939	.....	Nil
1938 x	0.74	Nil
1937	0.03	Nil
1936	0.43	Nil

d—Deficit.

	Plant—After	Deprec.
1943	$110,005	$862,801
1942	298,251	734,361
1941	440,589	585,305
1940	592,046	432,134
1939	680,109	x
1938	431,637	x
1937	510,550	x
1936	431,857	x

x—Not reported.

	Total Assets	Working Capital
1943	$4,720,965	$1,807,127
1942	3,837,968	1,402,020
1941	3,277,314	1,037,876
1940	2,987,756	723,324
1939	2,281,269	274,133
1938	1,111,605	367,299
1937	1,072,325	320,884
1936	978,856	374,413

Noorduyn Aviation

Noorduyn Aviation Limited, with plants at Longue Pointe, Montreal, and St. Laurent, Quebec, produces "Norseman" aircraft and Harvard Advanced Trainer under license from North American Aviation Inc. The former plane, a transport machine, has been sold to principal air transport lines in Canada. The latter is being produced, in large quantity under order from the Dominion government for the Empire Air Training Scheme.

The company started delivery of Noorduyn Norseman to the United States early last year, and deliveries were steadily increasing each month. Total aircraft production last year was 1,228, more than 600% over 1941 figures.

—Years Ended June 30th—	1943	1942
Gross profit	$ 777,272	$1,254,917
Net Earnings	20,179	38,234
Earn. per Share	0.22	0.41
Plant (less Dep.)	.....	78,167
Total Assets	31,704,189	9,992,980
Work. Cap.	1,555,889	1,495,884

	Earned	Paid
1939	0.19	Nil
1938 x	d0.47	Nil
1936 *	d0.43	Nil

	Plant—After	Deprec.
1943	$ 250,968	$ 509,019
1942	281,500	438,755
1941	406,698	265,776
1940	464,362	157,045
1939	365,688	89,144
1938 x	373,940	75,368
1936 *	376,250	65,943

	Total Assets	Working Capital
1943	$ 7,043,533	$ 445,275
1942	3,811,589	244,109
1941	3,532,795	126,275
1940	1,866,128	7,062
1939	913,104	a7,739
1938 x	866,850	5,540
1936 *	594,138	163,039

x—18 months ended June 30.
*—12 months ended December 31st.
d—Net loss.
a—Excess of current liabilities over current assets.

Fleet Aircraft

Fleet Aircraft Limited operates a plant at Fort Erie, Ontario, which originally was established for the manufacture of certain aircraft produced by the Consolidated Aircraft Corp. of the United States.

It subsequently engaged largely in production of training planes for use by R.C.A.F., including Fleet Trainer and Model 60 Advanced Trainer; also the Fleet Twin Engine Transport. Acts as Canadian distributor for Waco airplanes.

For the past two years the company has switched production activities to a new type of training plane.

Years ended Dec. 31	Gross Earnings	Net Earnings
1943	$577,998	$125,797
1942	568,042	206,014
1941	549,818	185,381
1940	589,632	133,073
1939	94,108	d22,798
1938	.....	66,742
1937	.....	2,398
1936	.....	38,648

.... Not reported.
d—Deficit.

	Per Share: Earned	Paid
1943	$0.91	$0.25
1942	1.08	Nil
1941	0.97	Nil
1940	0.70	Nil
1939	d0.12	Nil
1938	0.74	Nil
1937	0.03	Nil
1936	0.43	Nil

d—Deficit.

	Plant—After	Deprec.
1943	$110,005	$862,801
1942	298,251	734,361
1941	440,589	585,305
1940	592,046	432,134
1939	680,109	x
1938	431,637	x
1937	510,550	x
1936	431,857	x

x—Not reported.

	Total Assets	Working Capital
1943	$4,720,965	$1,807,127
1942	3,837,968	1,402,020
1941	3,277,314	1,037,876
1940	2,987,756	723,324
1939	2,281,269	274,133
1938	1,111,605	367,299
1937	1,072,325	320,884
1936	978,856	374,413

MONTREAL —
Hub of Canada's War-Wheel
By air, water, bus or rail, a modern network of transportation facilities connects Montreal with points near and far, to the markets of the Dominion and of the world. Every route leads to the Great Metropolis of Canada. Over 50% of all commodities shipped by water into this Dominion — and out of it — are handled yearly in the Port of Montreal. East- and west-bound merchandise meets at this crossroads of inland distribution . . . via the mighty St. Lawrence River, gateway to and from the sea from which, in every direction, north, south, east, west, flow the products of a great nation at war. Thank's to this great background of industry and transportation, Montreal plays a worthy role in Canada's war-effort and is making a tremendous contribution to the industrial phase of Canada's War In The Air.
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Response to Taxation Feature of War Effort

Canada Has Succeeded in Meeting Over Half of Her War Expenditures Out of Revenue — Tax Revenues Estimated at $2,772,000,000 for Current Year — Income Tax and Corporation Tax Play Big Part

By HON. COLIN W. GIBSON, K.C., M.C.,
Minister of National Revenue

AS THE tide of victory rolls relentlessly onward these days, Canada continues to contribute to the common cause men, war material and money on a scale that has been widely commended by the other United Nations.

In the matter of dollars and cents, the cost of Canada's part in this war has been tremendous, and the manner in which Canadians have borne the burden of new and heavier taxation to meet a great part of these expenditures is one of the finest chapters in this nation's all-out war effort.

The responsibility of collecting these huge sums in individual taxation as well as excess profits, corporation and a wide range of other taxes is the story of the Department of National Revenue.

While taxation measures are prepared by the Department of Finance in order to provide for budget requirements, the administration of these measures comes under the jurisdiction of, the Department of National Revenue.

As a result of the financial policies adopted by the government Canada has succeeded in paying for over half of her war expenditures out of revenue. For example during the fiscal year 1943-44 $1,635,000,000 was collected in individual and corporation taxes from the tax payers of Canada. In the same period a net revenue of $949,169,667 was collected in Customs and Excise duties and taxes.

The total, amounting to $2,584,169,667 was more than half the amount required to pay for Canada's war and other expenditures.

Canada's estimated expenditures for this year reach a total of $5,152,000,000, mainly because of the increased need for arms and supplies to press and secure the victory. Of this colossal sum, revenues in 1944-45 are estimated at $2,772,000,000, not including the refundable portion of taxes.

Three Grain Divisions

The Revenue Department is divided into three main divisions, Customs, Excise and Income Tax, with the latter division also administering succession duties.

While the Customs and Excise divisions are separate, many of the officials act for both divisions. Consequently, it was recently decided to place both divisions under one head, the Deputy Minister of Customs and Excise, Mr. David Sim, Mr. C. Fraser Elliott, C.M.G., K.C., is the Deputy Minister for the Income Tax Division.

As a means af administering taxation measures and collecting income taxes as well as Customs and Excise duties and taxes, the Revenue Department has established a chain of district Income Tax offices and Customs-Excise ports all across the country.

The Income Tax division has 19 district offices spread across Canada with each district office responsible for collections within its geographical area. From a staff of only 407 persons when the Income Tax Act was brought into being in 1917, it has now increased to 5,390 employees.

The Customs and Excise Division has 153 main ports at the frontier and in the interior with a staff of 4,251 permanent, temporary and seasonal workers.

With the outbreak of war probably no other peace-time government department has grown so rapidly and had its responsibilities so greatly increased as the Department of National Revenue.

Rising Income Taxes

In the fiscal year prior to the start of the war, $142,000,000 was collected in taxes by the Income Tax Division. During that same year the number of tax returns to be examined amounted to 526,000 while the staff numbered 1,312 and the expenditures for this division came to $2,425,000.

Compared against these figures is the amount of taxes collected, the number of tax returns to be examined, the size of the staff and the expenditures for the Income Tax Division during 1943-44.

A total of $1,635,000,000 was collected in taxes last year, representing an increase of $1,593,000,000 over 1939. The number of tax returns to be examined this year was 2,600,000, an increase of 2,074,000. The staff for this division alone has now grown to 5,390, an increase of 4,078 workers since the last pre-war years. Where it cost $2,425,000 in expenditures in 1939 it now costs $8,000,000.

Behind these figures which measure only the growth in the quantity of work, there lies the enormous growth in complexity. For instance, the following are some of the new responsibilities and features which have been added since 1939:

(1) The Excess Profits Tax Act (2) The Dominion Succession Duty Act (3) The Wartime Salaries Order (4! War Controls Depreciation Board (5) Tax deduction at the source (6) The refundable portion of the tax (7) Tax conventions with the United States.

Any of the above measures would have constituted a major landmark under peace-time conditions but, during recent years, the Income Tax Division has had to contend with two or three of them simultaneously.

A closer insight into the increased amounts in tax collections by this division is shown in the following tables:

Before the War (1938-39)	
Individuals	$46,591,449
Corporations	85,185,887
Dividends & Interest	9,903,046
Gift Tax	345,756
Total	$142,026,138

Now (1943-44)	
Individuals	$811,888,495
Excess Profits	468,717,840
Corporations	311,378,714
Dividends & Int. .	25,760,804
Succession Duty ..	15,019,831
Gift Tax	1,546,633
Rents & Royalties .	1,272,389
Total	$1,635,584,706

The bulk of last year's income tax collections came from individuals and under the Excess Profits and corporation taxes. The individual taxation bracket alone contributed $811,888,495, or close to half of the entire collections for 1943-44.

There are several reasons for such a tremendous increase in revenue from individual taxation since the outbreak of war. The basic level for paying income tax has been reduced to $660 for single persons and $1,200 for married persons. With the coming of war and increased production more taxable wage earners were employed and the amount of money collected in income taxes increased every year. In 1940 it was $45,008,058; in 1941, $75,636,231; in 1942, $189,237,538 and in 1943, $533,915,059. In the first four months of this fiscal year $321,253,158 has already been collected.

Excess Profits Taxes

The second largest contribution last year was made under the Excess Profits Tax Act. It first became effective in the 1941 taxation year as a war-time measure to avoid huge fortunes being made out of war profits. As a result business has contributed a large share of this country's war costs.

In 1941 $23,995,269 was collected in Excess Profits taxes. In 1942 the rates of excess profits taxation were altered to the following:

1. All companies must pay 12 per cent of their total taxable profits, plus the greater of:
2. Either 10 per cent of the total taxable profits, or:
3. 100 per cent of the amount by which the year's profit exceeded the average profit earned in 1936 to 1939. This was with the provision that approximately 20 per cent of the tax under this item is refundable to the company within two years after the close of the war.

Since the rates of the Excess Profits tax were changed, the amount of money collected has climbed considerably. In 1942 it was $135,168,345 and in 1943 $454,580,677. Last year it hit a peak of $468,717,840 and during the first four months of this fiscal year it has already contributed $162,699,735.

Corporations Pay Heavily

With regard to corporation taxes, in 1940 the rate of this taxation was increased to 18 per cent for unconsolidated returns and 20 per cent for consolidated returns. In 1940 the collections for corporation taxes amounted to $77,920,002. In 1941 it was $131,565,710; in 1942, $185,835,699; in 1943, $347,969,723 and in 1944, $311,378,714. During April to Aug. 1 of this current fiscal year $92,856,505 has come in to assist the government's war effort from corporation taxes. As an indication of the important part business and corporations of all kinds are playing in the cost of this war, a total of $780,096,554 was collected in Excess Profits and corporation taxes in 1943-44.

While the administration of the Customs and Excise divisions are under the one deputy Minister, the functions of each division are separate.

As a war-time measure the import and export control of many commodities have been placed under the supervision of controllers or administrators attached to other departments and the policing of their orders as to imports and exports is carried out by the Customs division.

This division also administers many of the orders of the Foreign Exchange Control Board; the regulations of war-time shipping at the direction of the Department of Naval and Service Transport, as well as many other major tasks.

Tariff and Sales Levies

The Excise division is responsible for the collection of indirect domestice taxation by way of excise duties and taxes, including the sales tax.

The outbreak of war resulted in the closing of many foreign markets with the consequent cutting off of such overseas trade. In addition to Canada's loss of trade, restrictions imposed by the War Exchange Conservation Act, which have been recently removed, and by numerous import controls, reduced the importation of many articles.

Despite this the increased volume of imports and exports of war equipment and materials for war production have largely offset this nation's loss of foreign trade.

The bulk of gross revenue in the Customs and Excise division has come from excise duties and taxes which is shown in the following reports:

	Before the War (1938-39)	Now (1943-44)
Imp. duties ...	$ 89,362,464	$187,892,582
Excise taxes ..	$165,497,936	$672,961,439
Excise duties .	$ 51,788,630	$145,864,790
Sundry coll. . .	$ 771,294	$ 672,092
Total	$307,420,325	$1,007,390,904

When the war started it was necessary to restrain the increase in the demand for consumer goods as well as for the purpose of securing additional revenue. By this means new or heavier imposts were placed on many articles of consumption, some of which might be classified as luxuries.

The largest amount of money collected last year was through Excise taxes, which included the sales tax and war exchange tax. Of the $672,961,439 collected in excise taxes, the tax on tobaccos, gasoline, amusements, soft drinks, transportation, manufacturers' tax, etc., amounted to $339,255,631. The War exchange tax collections amounted to $118,912,840.

In the first four months of this fiscal year excise taxes have already contributed $225,846,312.

Part in War Program

While the Revenue Department continues to play a tremendously important part in Canada's financial war program, it will be called on to accept even heavier responsibilities in the days of peace that lie ahead.

During this last session of Parliament, the government brought down numerous measures designed to prepare this nation for the post-war period. Among them were measures to ensure social security for all Canadians as well as to create full employment and a floor on farm prices. Other measures were passed that will place this nation in a sound position to meet the increased demands of world trade and generally ensure Canada of holding a position of prominence in the changing economic world of tomorrow.

As the revenues of this country increase in the post-war era, so too will the responsibilities of the Department of National Revenue.

Manufacturers Prepare For Problems of Peace

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cessation of hostilities, that Canada's buying and selling with other countries shall continue in large volume. This involves the question of export credits. Plans for financing international trade, and other trade arrangements, have been considered by a Sub-Committee on Present and Post-War Foreign Trade, and in April last the Association by special circular outlined the set-up and aims of the Export Credits Guarantee Department of the British Government and the Export-Import Bank of Washington. Useful suggestions received from Association members and pertaining to requirements which should be covered in a Canadian plan, insofar as insurance or guarantee of export credits was concerned, were forwarded to the Government. In August of this year Parliament passed the Export Credits Insurance Act, part of which provides for the setting up of an Export Credits Insurance Corporation, for the purpose of insuring against losses caused by insolvency, delays in collection, and difficulties in effecting payment in connection with the export of Canadian-produced goods.

As the Department of Munitions and Supply had proposed an over-all re-negotiation of war contracts, representatives of the Association have strongly emphasized to the Minister and Departmental officials that such a policy, if resulting in a reduction of general profits, would really be a tax; that as a tax it would be uncertain, arbitrary and discriminatory since the question of which contractors should be required to negotiate, and what rate of profit would be regarded as fair and reasonable in each particular case, would be left entirely to the discretion of an official of the Department with no known rules or principles to guide him. Assurances were given however that, while it is both the right and the duty of the Department to insist on an over-all investigation, it would be only in cases of definitely improper profits that the Department would insist on a particular contract being re-negotiated, and that generally speaking there was no intention of renegotiating firm price contracts of prime contractors. The Department preferred to re-negotiate on the basis of individual contracts and had no intention of carrying out over-all re-negotiation where it could obtain from the contractor the actual costs of his various contracts.

Manufacturers Are Planning

Manufacturers as a whole have been giving much thought and effort to preparation for conditions during the transition period between war and peace, and also during the early years following the close of the present military campaigns. Individual manufacturers each in their special fields of activity are planning, experimenting and getting ready as far as they are able to do so, with the knowledge, materials and personnel available in order to contribute all they can to the solution of the varied and comprehensive problems now arising and which eventually will develop out of a five or more years' period of warfare so devastating materially and otherwise throughout all parts of the world.

Many manufacturers already have in hand complete conversion and post-war plans to be effectively available when hostilities end and they are all conscious of the importance of preventing or lessening to the utmost any lag between the manufacture of war and civilian goods.

It is confidently hoped that their efforts will aid substantially in the continuance of a high rate of production and employment and the maintenance of an acceptable standard of living for the people of Canada.

Farm Cash Income Up 30 P.C. For 6 Months

Ottawa—Cash income from the sale of farm products increased in the first six months of 1944 as compared with the corresponding six months of 1943. The 1944 estimate for the six months of $716,394,000 represents an increase of $166,183,000, or 30 per cent over the 1943 figure, and is only $6,000,000 less than the estimate for the entire year of 1939.

The increase for the first six months of 1944 over the 1943 six months was common to all provinces except Prince Edward Island, and was particularly marked in Saskatchewan and Alberta.

Income from the sale of wheat was about $100 millions higher in 1944 than in 1943, and over half of this increase occurred in Saswatchewan. Increased deliveries of wheat, combined with higher prices to producers, brought about the increase in income. The decline in Prince Edward Island was due to the relatively poor crops harvested in 1943 and particularly to the decline in the supply of potatoes for market.

FACT FINDING STATIONS

The 161 illustration stations throughout Canada and the 45 district sub-experimental stations in the Prairie Provinces are essentially experimental units, in that they are fact finding and are the proving grounds for research work done in laboratories and on some of the experimental farms, when taken to different soil and climatic conditions in the various provinces.

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The Fishing Industry's been mighty busy during the war years supplying huge quantities of fish to meet United Nations' needs. It has made a wonderful contribution to national war effort. Since war needs have come first one kind of fish or another may sometimes have been in short supply in one part of Canada or another, but that sort of thing is only temporary.

There'll Be Canadian Fish for Everybody

Normally, there's plenty of fine Canadian Fish available for all consumers. Many different kinds to choose from, too, and all nutritious and healthful. Men who know their business will use them often.

Department of Fisheries,
Ottawa.

Hon. Ernest Bertrand, M.P.,
Minister.

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